

INSIDE: Ten years after the Vietnam War—a Special Report

Maclean's

APRIL 29, 1985

CANADA'S WEEKLY NEWSMAGAZINE

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Maclean's

APRIL 29, 1985 VOL. 98 NO 17

COVER

The toxic threat

After a truck spilled 100 gallons of toxic PCBs onto the highway west of Kenora, Ont., fear spread through the community, and the inadequacy of Canada's laws in controlling toxic wastes became apparent. At least six people were treated for PCB exposure as government officials struggled to deal with the environmental threat.

—Pearl

Page 34

CODES ARE IN BOLDS



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The Vietnam legacy

Ten years after the last American helicopters left Saigon the United States is still trying to heal the wounds inflicted by its divisive involvement in Vietnam. — *Page 36*



Getting set for a showdown

Robert Dierams went to Washington last week to promote electricity sales—and his new book. He received a warm reception and gained attention at home. —Page 24

Removing the color bar

In a series of historic moves, South Africa's government removed the color bans to sex and marriage and announced a troop withdrawal from Angola. — *Steve J.*



Royal ramifications

Queen Elizabeth II's first cousin by marriage, Princess Michael of Kent, came under scrutiny when stories circulated about her late father's Nazi connections. — **Page 52**

Mr. vice-president

After reading your March 18 issue regarding the Shamook Summit, "A quiet exercise of power in the PMO" and "Must squelch on 'Mr. White'" (Canada, April 8), I am convinced that what we have in Brian Mulroney is neither a Prime Minister nor a President but a vice-president in charge of Canadian affairs. *Vote for Canada here!*

—GORDON F. HAMILTON,
Cambridge, Mass.

Further to your article on the growth and powers of the PMO: what we are witnessing is an accelerated presidentialization of the office of Prime Minister begun during the Trudeau years. The office of governor general has become a shadow, along with the monarchical principle. Canada is a republic masquerading as a monarchy.

—ERIAN THEOPHYLACTIS,
Guelph, Ont.

Bureaucratic doubletalk

Regarding "A new gamble on ivory" (Follow-up, April 15): we had our home dose over such new farm-aid-like foam insulation (UFF) before the newly-proposed program and have been pleased with the results. Prompted by government ads, we got involved in the testing program. Gas levels were recorded, and technicians flew in from Winnipeg to drill holes in the walls and take samples. We were assured that, beyond a reasonable doubt, our house was safe, because the formaldehyde gas readings were lower than in most non-UFF houses. The government, however, realized as advising us on how to rip out the walls or how to



Mulroney in charge of Canadian affairs

seal the walls to reduce the diffusion of the noxious gas. Programmers like the UFF can make up cynical, low-level bureaucrats and politicians. We have no problem with the foam between the studs. It's the fact between some ears.

—D.H. BECKELL,
Calgary

Capacity corrected

Regarding "Death in the evening skies" (Canada, April 8): 58,435 tons total carrying capacity for the C-130 aircraft? *Termines indeed!*

—DEAN ATKINSON,
Red Lake, Ont.

Apology

In its April 1, 1986, issue, Maclean's published an article ("Scraming safety in the northern skies") that concerned an inquiry into the crash of an airplane owned by Grande Prairie, Alta.-based Wright Aviation Ltd. The accompanying photograph was of an airplane outside a hangar belonging to Air-Dale Ltd. of South St. Marie, Ont. Air-Dale has never had a flying accident, and Maclean's did not intend to question in any way Air-Dale's safety record.

At the invitation of Regencyland and Imaginative Canada, Maclean's is advertising an opening in Toronto for the position of senior writer. Previous newspaper writing experience is essential. Applications and resumes should be mailed to Kevin Doyle, 777 Bay St., Toronto, Ontario, M5W 1A7.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Most correspondence to Let It Be to the Editor, Maclean's Magazine, Mail Room, 777 Bay St., Toronto, Ont. M5W 1A7.

RECOVERING

Trumpetist Bob McConnell, 90, who is one of Canada's leading composers and arrangers, from a heart attack, at Toronto General Hospital. McConnell collapsed during the performance of a Rossini concert in Kitchener, Ont.'s Centre in the Square and was treated at the Kitchener-Materiel Hospital for four days before being transferred to Toronto.

DR. Professor, author and surgeon Dr. Robert Mortimer, 75, who specialized in cancer and cited the dangers of cigarette smoking more than 20 years ago, after a long illness, in Sunnybrook Medical Centre, Toronto. Between 1963 and 1974, Mortimer taught surgery at the University of Toronto. The St. John Ambulance Association published his book, *Fundamentals of First Aid*, in 1955 and printed a second edition of the work nine years later.

DR. Former Conservative premier of Manitoba Walter Weir, 56, who became a member of the Manitoba legislature in 1968 and held several cabinet posts including minister of public works and highways, before succeeding Duff Roblin as premier on Nov. 25, 1967, of a heart attack, at Minnesota, District General Hospital, Minneapolis, Minn.

ORDERED: The arrest of Toronto businessman Sidney Jaffe, 60, who was released on parole in September, 1983, after serving two years of a two-year sentence for jumping bail and after a Florida Court of Appeals overturned his 1983 conviction and 30-year sentence for illegal land sale practices, when he failed to appear at a new trial on charges of organized fraud, by Circuit Judge Edwin Saunders, in Deland, Fla. Jaffe, who was abducted in Toronto and taken to Florida to face the previous charges by two U.S. bounty hunters in 1981, is scheduled to be a key witness in a Canadian case of alleged kidnapping against the two men.

RECOVERED: Dr. Gordon Bell, 73, pioneer specialist in the treatment of alcoholism and other addictions and the founder of Toronto's world-renowned Donwood Institute, with the annual \$100,000 Royal Bank Award for Canadian Achievement "that has contributed to human welfare and the common good," to be presented at a ceremony that week by City chairman Rowland France in Toronto. Bell took up his specialty by accident. After serving as a Canadian Army psychiatrist, he set up a clinic in his home in 1946 for treating neuroses. But, he said, "No neurotic cure. Only alcoholism. Nobody could—or wanted to—treat them."

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The \$500-billion man

By Ken MacQueen

I was 1961 when the struggling entrepreneur first met Sherry and her brother Herb Hirtos—owners of the Deast Diner on West 16th Avenue in Vancouver—he was a rearing young man "very, very thorough," recalled Shella. She and Herb were trying to get started in the restaurant business and rebek, ruddy young Kenneth Dye was arriving as a chartered accountant at the University of British Columbia. From that year on, Dye visited each year to complete the income tax returns. The arrangement lasted until 1981—when the federal Liberal government named the Deast Diner's accountant as Canada's eighth auditor general.

When Dye arrived in Ottawa in the spring of 1981, observers commented that he lacked the fiery, irascible countenance and peevish of such predecessors as Maxwell Macdonald and James Macdonell. They quickly changed their minds. Over four years he has launched a successful campaign to make



Dye is a quiet accountant rocking the boat

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Canada's 380 Crown corporations publicly accountable for their financial dealings. Then, last July, Dye shattered what little remained of his bland image. He became the first auditor general to sue the federal government.

Dye was seeking access to secret cabinet documents relating to Crown-owned Petro-Canada's 1981 purchase of Petrofina, the Brussels-based, energy conglomerate. When the Federal Court handed down its verdict in May, his auditors are well determined how accountable the cabinet must be to Parliament's auditor. During a recent interview in his imposing 11th-floor Ottawa office, Dye, 49, told Maclean's, "The government is trying to shut down my legitimate access to information I require."

Still, Dye, whose late father, Allan, was a B.C. Telephone maintenance man, insists that he prefers to quietly paddle a canoe than to rock the boat. As a boy his social skills and that of his two younger brothers Laurie and Gardner (referred to as Phil's Anglican Church in Vancouver and his boy scout troop) once he had chosen accounting as his career, he stomped on one course. He article as an accountant with a Vancouver firm—now called Fraser's, Kerr, Fennell—and remained with it for 20 years. In 1966 he married Frances Johnston, a vivacious Vancouver nurse. As Dye attracted bigger clients, he became a partner in the firm. But through all those changes, he never abandoned the Deast Diner, a \$300 restaurant. Since he departed, Sherry said that her law is the country's go-to "Ken Dye would do his best to see fair play."

That sense of integrity attracted the search committee of accountants established in 1980 by Donald Johnston, then president of the Treasury Board, to fill the job of federal auditor general. Dye, at the time president of the Institute of Chartered Accountants of British Columbia, was also a high-profile member of the executive class. He recalled Johnston: "He seemed to be, and I think it is, a good, solid citizen for whom Canadians would have a lot of respect in terms of judgment."

Indeed, Dye projects an image of sobriety, humility, cheer and a subdued badge. Since coming to Ottawa he has attended St. Thomas the Apostle Anglican Church with Frances and their children, Beth, now 28, Lesleigh, 16, and Jackie, 15, and serves as chairman of the audit committee for the Ottawa diocese. He also married December 31st, his former parish priest in Vancouver, to lead the auditor general's communications group and help write audit reports. As well, Dye—once a King's man, then the highest mark in accounting—currently serves as national treasurer for Boy Scouts of Canada.

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turn, Dye gives little indication that he is suffering any added strain because of the lawsuit. "I would do this job for a dollar a year if I could afford to live on a dollar a year," he acknowledged. Instead, he accepts a \$136,000 annual salary to ensure that the government keeps its books as well as owners of the United States does. Noting that the latter does not have a set of audited financial statements (the Canada, Dye added), "I sign the biggest financial statement in North America. I sign off on about \$500 billion worth of transactions."

The fact that some of that money gets lost, mismanaged or wasted makes the auditor general's annual report each December a major source of political controversy. Last year he denounced the department of defense when he noted that the annual 138 CF-18 fighter jets, which were estimated to cost \$9 each, were billed to Canadian taxpayers for \$207.28 each. The report also warned of "real danger" that the \$26-billion annual federal deficit, added by a government accounting system that was rife with overstated assets and unrecorded liabilities, could go out of control.

Those comments are considered to be within the province of the auditor general. By contrast, Dye's refusal to disband cabinet documents dating from the Peterson purchase, first from the Liberal and now the Conservative government, are unprecedented. The auditor general says that he is concerned about the transactions because without the papers he cannot determine whether or not Canadian taxpayers got their money's worth. But in federal court last month a senior federal lawyer claimed that Dye acted out of concern "the leader of an extraordinary, selected opposition." In a well-publicized speech, Senator Michael Pitfield blasted the auditor general's expanding mandate for the fact that the cost of running the office had climbed to \$11.5 million last year from barely \$700,000 in 1956 (Pitfield chuckled). "I fear it is only a question of time before that office becomes highly politicized."

But Dye contends that he is dedicated to the premise that, as much as possible, government operations should be open to scrutiny. And when the court case is over, Dye is planning to take his crusade further: he wants to publish "a sort of corporate annual report" for Canada. Filled with graphics and accessible language, it would be an intelligible measure of the government's stewardship of the economy.

If he succeeds, the auditor general may move the government one step closer to releasing its affairs the way Ken Dye runs his life. Said Dye, "I am not a very fancy person. I sign what I mean. I'm always on the record." ☐

FOLLOW-UP

New times at *The Times*

A photograph in the supplement published in January to commemorate the newspaper's 200th anniversary reveals how much *The Thunderer*—the venerable *Times* of London—has changed. Skirt bunched well above a shapely knee, Angela Gordon, *The Times*'s gossip columnist, smiled gaily at readers from a glossy page. Meanwhile, the regular content of the newspaper itself reveals a new voice: sexy short case reports jostle for space with longer articles about such weighty matters as 50-year-old Brigitte Bardot's psyche. Once a politically independent, conservative journal, *The Times*'s editorial now supports the policies of President Ronald Reagan and Prime Minister Margaret Thatcher, both of whom rate high in the esteem of *The Times*'s Australian owner, Rupert Murdoch. In the four years since Murdoch acquired *The Times* and its subsidiary *The Sunday Times* from Canada's newspaper magnate Kenneth Thomson, the paper and its attitudes have changed dramatically. As *Observer* columnist Michael Davis noted in an anniversary profile, "Vulgarity and passion are a new selling formula for *The Times*."

The vice-chairman of *Times Newspapers* Inc., which owns the two newspapers, Sir Edward Pithering, claims that Davis's comment is unfair. "There is no vulgarity in the news columns," he pointed out. What is not in dispute is that the formula—more photos, more crime and more business coverage—which *The Times* has followed under Murdoch and the current editor, 47-year-old Charles Douglas-Home, has proved highly successful as business terms. A money letter for more than 15 years, under Murdoch the combined losses of *Times Newspapers* on the *Times* and *The Sunday Times* have been sharply reduced. In 1987-88 the company lost just 10 pence, down from \$11 million in 1982-83. At the same time, *The Times*'s sales have risen steadily from an average of 282,000 a day in the six months between January and June, 1981, to a record 456,687 a day in the latter half of 1988.

Competitors point out that at least 75,000 of *The Times*'s new sales have taken place since last summer, when the newspaper introduced Partille, a form of bingo based on stock market prices. A proven phenomenal success popular with Britain's warring tabloids, bingo had previously been scorned by the "quality" press. *The Times*'s detractors promptly observed

the game "bingo" (after the Australian wild dog) in a derisive reference to Murdoch's background. Partille was consistent, they said, with its renewed dedication to profits.

That characterization has followed the 54-year-old Murdoch ever since he surfaced in fine News Corp. from a

small Australian publishing concern to a giant communications conglomerate spanning three continents and worth an estimated \$1 billion. But the controversy has widened since more intense than ever has transformation of *The Times* from a respected, although stodgy, daily serving the British establishment into—*Murdoch's* own words—"just another newspaper."

After only a year in charge, Murdoch asked for the resignation of *The Times*'s editor, Harold Evans, over policy disagreements. But Evans of his departure after more than a decade at *Times*

"Peter," I said,
"How come your hair looks so healthy?"
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3. **Peter:** Right. And Tegrin also helps control dry itchy scalp that used to annoy me. **Me:** Again, I show Tegrin gets your scalp really clean.



4. **Me:** I'm going to give Tegrin Medicated Dandruff Shampoo a try myself. **Peter:** You should try the herbal scent. Works just as hard as regular Tegrin to get your hair and scalp really clean.

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Newspapers. "It was like a deep cut, seeing the blood flow freely but feeling no pain until much later." He then wrote a book, *Good Times, Bad Times*, which drew an unfattering portrait of Murdoch and his policies. A year later *The Sunday Times* became the object of controversy over its publication of excerpts from the so-called Hitler diaries. The newspaper bought the rights on the advice of Second World War scholar Lord Dacre (Hugh Trevor-Roper) but associates were embarrassed after publication when the diaries proved to be forgeries. In his book Evans commented, "The publication of the Hitler diaries... was certainly, within serious newspapers, the unacceptable face of commercialism."

It is that packaging of the paper's content under Murdoch that raises the most serious concern among *Times* affiliates. One former senior staffer told *Modern's*, "People are encouraged to distort stories for the sake of effect." The paper's editorials, he added, "have gone to the far, primitive right." Among the frequently quoted examples of that tendency are the paper's enthusiastic response of Ronald Reagan's Star Wars policy and its continuing support for Thatcherite economics.

For his part, Pickering points out that Murdoch undertook in a formal contract not to interfere with editorial decisions when he became owner. He adds that anyone who knows Douglas-Horne will reach for his independence. Still, *Times* insiders, who asked that they not be quoted by name, point out that such independence is irrelevant because Douglas-Horne holds broadly similar political views to those of the proprietor. Some journalists who work at *The Times* claim that its new management style has affected both morale and standards. Said one staffer: "People look over their shoulders quite a lot nowadays." Another staffer complained that accuracy sometimes receives lower priority than the battle for news. As well, the Press Council, which monitors publishing ethics, has upheld four complaints against *The Times* in the four years since Murdoch took over. In the previous four years the council received only one complaint, and rejected it.

For most *Times* staffers, however, the dominant fact of life is the paper's increasing fiscal health. After years of crippling losses—including 56 weeks when then-owner Thomson suspended publication in 1979 during disputes with the unions over technological change—jobs on the paper are no longer at risk for financial reasons. Indeed, according to Pickering, *Times* Newspapers is on the point of breaking even. That is clearly an event worth celebrating in the Thatcher's 50th anniversary year.

—DAVID NEEDE in London.

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A nation afraid to laugh

By Charles Gordon

Canadians are not exceptionally comic.
—Mark Swett, 1944

It is still an article of faith among social commentators that Canadians have no sense of humor. There are so funny Canadian writers, no sense of humor on the CBC. Where contradictions to the theory exist—such as CBC Radio's Royal Canadian Air Force and the *Princetons*—many commentators ignore them or undervalue them. This ignores *ICFV* and all the comedians and comedy writers who have cooperated to help the Americans keep their television alive, just as many years earlier we exported Mack Swett's *Richmond, Que.*, to help the Americans develop the *Keynote Kops*. The idea of Canadians being a dull, humorless people is too precious to give up.

There are, it is true, people who make a not-had-long-being-funny-in-this-country-Bellevue-among-them-there-is-a-sagging-fear-that-they-are-not-being-funny-enough—or, if they are being funny enough, that they are not being funny in the right way. Spectacularly, they worry that Canadian satire is not mean enough, not tough enough.

They look seriously at the British, who publish *Private Eye*, which regularly trashes politicians, financial houses, dates and meals. They gaze warily at the Americans, who publish *National Lampoon*, which gleefully imitates celebrities from all walks of American life. "Why can't we do something like that?" they ask. Obviously, because we are dull and afraid to laugh.

The case of *260* will be held up as further evidence. *260*, or, to be in, a magazine created by Terry Mosher, the Montreal Gazette cartoonist who dines under the name of Aislin. When he announced the birth of the magazine—tellingly subtitled *For Men of Canadian Acumen*—Mosher put out a press release saying that "Canadians have had very little practice at writing good, tough humor. To guarantee the kind of toughness needed, *260*'s contributors were going to be guaranteed anonymity."

The fact that *260* was not published April 1, as originally planned, is being held up as typically Canadian. *260* fell victim to a dispute between Mosher and his publisher, at least part of which concerned matters of taste. At last, someone had put together some humor that had a mean streak, and what happened? Uh huh. Here was a country so

dull, so timid that its first annual humor magazine could not be published.

The theme of a nation afraid to laugh was taken up earlier this month in something called "A Colloquium on Satire in Canada" organized by the National Gallery of Canada. The colloquium featured a panel of Canadian cartoonists and writers, as well as a British art historian. To some people the fact that Canadians would organize a panel discussion on the subject is proof in itself that a problem exists, but the afternoon was ruined and full of laughs.

Still, it was without self-doubt. Both members of the panel and members of the audience asked the question, "Are we tough enough?" This may have had something to do with the circumstances in which the colloquium was held. It coincided with a gallery exhibition of British caricatures from 1600 until the present. These faces up from the

past that makes satirists mean.

Satire turns mean in a climate of oppression. Our satirists—when they look around, see much to ridicule, want to make fun of. But they don't see oppression. When they look at their rulers they see imperfect, but well-meaning men and women. Even when a cartoonist has done a devastating job of conveying a politician's basic, empty, to his dismay, that the politician calls for the original drawing, rather than for the palace guard.

Even Canadian women, many of whom see themselves as members of an oppressed group, have often been writing a satire. "We women, above all, to be perceived as nice people first," the famous Rita Ritzer told the colloquium. If wanting to be perceived as nice people is a fault, women are not the only Canadians who have it.

As shown by the *260* experience, Canadian satirists might have a tough time not being nice people, even if they felt like it. Part of this is a question of history. *Private Eye* thrives in the tradition established by Hogarth and Gillray. Those who could take it to heart knew that *Private Eye* will not burn down. They also know that *Private Eye* regards a lawyer's letter as cause for a redoubled attack on the lawyer's client. There is no such tradition in Canada.

Nor is there the legal context in Canada that allows *National Lampoon* to prosper in the United States. American law allows a magazine or newspaper to call a public figure a crook and a horse thief even if he isn't, as long as the publication can show that it didn't do deliberately. Canadian law is not nearly so permissive.

Being viciously funny is not a trait that can be turned on and off like a tap. And a climate that both allows and inspires people to be viciously funny in factoring every day, even if it is not a vicious people, apparently, and they don't find a lot to be vicious about. That could be something to celebrate rather than because if we were a less insecure people. Meanwhile, it is worth remembering that satire can exist without a bloodthirst. We have a satirical tradition, extending from Leacock through George Bain and Norman Ward. We have Aislin and Duncan Macpherson. The Canadian sense of humor is not a serious problem.

Charles Gordon is a columnist for the Ottawa Citizen and a contributor to the first edition of *260*.

Kodacolor VR100. The official film of the day we dressed up as butterflies.

The children made all the butterfly wings the day before.

Simple cardboard, dappled with colour. The following day, everyone in the class dutifully brought in their wings and tails.

And I no teacher, brought in my camera. I loaded it with a roll of Kodacolor VR 100 film. For sharpness and definition, I couldn't have chosen better.

VR 100 captured the brilliant colour of the creatures with pocket clarity.

I could say of photographs simply, my butterfly collection.



Your camera film. Again.





Truck with leaking transformer at Kenora after spill: gaps in Canada's environmental laws and fears of a repeat

CANADA/COVER

The trail of a toxic disaster

By Mary Javignen

For a distance of 35 km, the Eyjafsson family's 1984 Toyota trailed behind the big flatbed truck as it travelled along the narrow ribbon of the Trans-Canada Highway east of Kenora, Ont. Every time the truck turned a sharp curve a sticky dark liquid splashed onto the road and sprayed the windshield and the air vents. At a Kenora gas station, a worried Lloyd Eyjafsson, 32, stopped the truck driver and asked him whether he had his prop-

er recounted literally. It was another day before the horrified family learned in Winnipeg that the "mystery oil" was transformer coolant laced with toxic polychlorinated biphenyls (PCBs).



Eyjafsson family's PCB-contaminated car in Winnipeg: "a disaster"

erty wife, Ron, 34, and their two sons—three-year-old Daryl and one-year-old Mark—should be concerned about the spill. "He says, 'No problem—it's just mineral oil,'" Eyjaf-

sson recounted bitterly. It was another day before the horrified family learned in Winnipeg that the "mystery oil" was transformer coolant laced with toxic polychlorinated biphenyls (PCBs).

entire country was riddled by the family's plight and appalled by the disturbing realization that chemical spills can happen anytime, almost anywhere, and that they can menace every Canadian.

That chilling environmental lesson unfolded after 300 gallons of PCB-contaminated coolant splashed from a transformer anchored to the flatbed truck along 70 km of the Trans-Canada Highway curling along the scenic route between Ignace and Kenora, 390 km east of Winnipeg. For five days the stretch of highway was closed while work crews applied an asphalt sealant over polluted portions and

while politicians and bureaucrats in Ottawa and provincial capitals struggled to explain how the tremendous spill could occur. For Canadians it was a vivid reminder that millions of gallons of tox-

ic PCBs are still in use in electrical equipment across the land and that more thousands of gallons are in storage because there are no available facilities to destroy them. The incident also underscored the STRONG gaps in Canadian environmental laws governing the smearing realm of toxic wastes. And, most important, it hammered home man's inhuman control over potent chemical poisons in all-too-fragile bottles.

Disasters: PCBs are among the most worthless of the hazardous chemicals that can seep into the environment and menace people. Because the opaque liquid is difficult to destroy, in the past industry used it as a placeholder in paints, waxes, lubricating oils and coolants, and as an insulator and coolant in electrical transformers and capacitors. But in the late 1960s medical researchers began to suspect that PCBs could be a threat to human life, and subsequent studies have linked the substance with ailments ranging from skin rashes to birth defects in humans. Eight years ago Ottawa banned the commercial production and use of PCBs. But without high-priority commitments to destroy the substance, stockpiles of the banned PCB solutions totaling \$2 million pounds smelt across the country in storage tanks and aging transformers.

And a further \$1 million pounds are still in use in old electrical equipment. The Kenora incident began when Eyjafsson-Quibbe decided to ship five transformers contaminated with PCBs from

Vancouver, across the river from Manitoba, to the storage facilities of Kenora Ecological Resources Group in Nipigon, 30 km south of Ignace. Five of the transformers had been purged. A fifth was full, and it did not have a drain valve. An Environment Quebec official, Gilles Legault, said last week that when his inspectors checked the truck Kenora operators insisted that four transformers loaded on the flatbed were empty. Kenora's regional manager, Michael Zed, later said that he told the officials, "Four transformers were empty, and we took four transformers." A fifth empty transformer was left behind for a future shipment—one that probably now will never take place—and the truck set out on its fateful ride. As it moved along the Trans-Canada, the undrained transformer sprung a leak. And at Ignace the flatbed began to shake over the truck's spill pan and onto the highway at every sharp corner or hump in the road. "He could see the stuff coming off his truck," Ryjafsson insisted. "It was a flood."

Confusion: The hazard was not reported until the truck pulled into a Harry Service station in Kenora and the driver alerted company officials. The disclosure triggered public panic, political confusion and bureaucratic stumbling (page 18). Although local and provincial police converged on the station rapidly, the highway remained open for 32 hours, while thousands of motorists drove through or past the PCB splashes. That tragedy of errors continued throughout the week. Provincial officials advised worried motorists to put on rubber gloves and wipe the PCBs off their vehicles with Vaseline cleaner and a dry rag. University of Western Ontario geologist Dr. Joseph Carmichael angrily countered that PCBs don't absorb clothing and rubber—and he discussed the self-help advice as "the dumbest, stupidest thing that I have ever heard of." Then, some confusion.

—far exceeded reason—briefly seized Kenora soil and asphalt samples that had been transported to Lantz, a Pearson Airport in Toronto. And Air Canada refused to carry samples of Kenora's drinking water from Winnipeg to a Toronto laboratory for testing. Meanwhile, 300 people in an 18-hour period alone flooded emergency telephone helplines in Kenora with inquiries—and factors concerned that 500 people in an exposure Winnipeg electrician William Malchuk was splashed with

spillage from the truck while he checked for contamination under the hood of his vehicle. Two days later he went to his doctor, complaining that he could still smell an ether-like odor, that his eyes hurt and that he had a burning sensation in his chest. "I haven't slept too good for the past few nights," he said. "You start thinking the boy's just going to get cancer." That's on your mind all the time."

Risks: Although local health officials attempted to play down the seriousness of the PCB spill, one of North America's leading experts on low-level exposure to toxic chemicals took issue with those reassurances. "There is a health risk—absolutely," Dr. John Luster, president of Vancouver-based Dallas BioHealth Systems, told Malchuk's. "These people have a serious problem when a spill such as this happens in a downtown area and when so many people have been exposed. [Kenora] is going to turn out to be one of the major spills—it is going to rank in the Guinness Book of Records."

While the unease spread through northern Ontario and Manitoba, confusion reigned on Parliament Hill. The latest spill was especially chilling because, at present, there are no commercial incinerators in Canada designed to destroy PCBs at the required high temperatures. At least three provinces—Alberta, Ontario and Quebec—are considering proposals to build the facilities. For now, many provinces use a patchwork of statutes to regulate the timing and destruction of shipments of dangerous goods that liquids or solids as their territory. With the exception of petroleum products, the governments offer only guidelines, but no laws, on how toxic substances should be shipped.

The only specific note on the regulation book is the Federal Transportation of Dangerous Goods Act, which states that dangerous goods are those

Testing for PCBs: unease



but whose regulations are only coming into effect on staggered dates throughout this year. That act governs air, surface, rail and interprovincial highway shipments. Each province has agreed to adopt a similar law for highway shipments limited to its territory. When the full array of regulations takes effect on July 1, they will cover the classification, documentation and safety markings on these shipments. But it would be a long time before binding regulations to govern how a shipment of toxic substances



Road-cleaning near Kanora: 'In there with the Galesburg Book of Records'

CORRECTION

should be contained—and, until the dramatic Kanora spill, none were scheduled.

The confusion over those rules plagued the politicians. Federal Environment Minister Sisonne Hies-Green—already under opposition fire as a poorly briefed minister—insisted last week that the July regulations would control the type of containers still, Transport Minister Dan McAtkinson tabled a protective direction issued under the Dangerous Goods Act late last week that insisted that PCBs must be enclosed in a "rigid, leak-proof container." A grim Solicitor General Hume Mackay added that the PCB may soon investigate allegations of negligence in the Kanora spill. "The people of northern Ontario are frightened," threatened Liberal Keith Penner, MP for the riding of Guelph-Nepean. "We have had mercury in the water, we have had rain and now we have a PCB spillage on the Trans-Canada Highway."

Mushrooming: Penner's rage came as legislators belatedly came to grips with the broader problem that embraces the estimated three million annual tons of hazardous waste—including solvents, pesticides and mercury—generated by major industries which operate with few controls and fewer disposal facilities. Each waste requires a different method of disposal—and each province has its own requirements. Meanwhile, the federal government has a list of 116 chemicals that have "no significant spill potential" in Canada, and it has pre-

pared manuals for each of the most hazardous 50 chemicals in case of an accident. "It is completely accepted that we are not managing hazardous wastes properly in Canada," admits Thomas Poole, a senior project engineer with the federal government department.

The provinces are not well prepared for their role as industrial waste policemen. Only Ontario and Alberta have set up provincial disposal corporations in an effort to control the mushrooming stockpile of chemicals. But although Ontario pumps out 1.5 million tons of hazardous waste each year, the government does not even have an accurate inventory to show which industries pump out

waste, or the volumes involved. Alberta now disposes of half its hazardous wastes at the factory site. In 1987 a \$1-billion plant will open at Swan Hills, 180 km northwest of Edmonton, to destroy the remaining 10,000 to 40,000 tons each year, including PCBs. John Elson, chairman of the Alberta Special Waste Management Corp., points out that his province is the only one to establish a hazardous waste disposal plant. In most cases, other provinces cannot even win agreement on sites for proposed disposal facilities.

Advances: Other provinces are making slow advances in handling toxic wastes. Under a 1984 act Saskatchewan has established a spill response unit and a 24-hour hotline for spill reports. After four years of study the Quebec government is finally rushing through cabinet the final version of regulations to govern the storage and disposal of wastes. Refill Colombia will soon introduce a system of storage permits for chemical wastes, including PCBs, although both bureaucrats and environmentalists insist that hazardous wastes are handled and stored safely.

That confidence seems misplaced, given the federal government's chronicle of 20,000 industrial spills across Canada between 1972 and 1986. In that period there were 41 spills involving 4,200 tons of solvents and more than two tons of mercury spilled in seven incidents. And there were a staggering 182 spills totaling 33.2 tons of PCBs.

The PCB spills included several major incidents, although the three largest did not immediately threaten local communities, and there were no reports of injuries. In 1973 a car had derailing crashed over two electrical transformers that leaked 968 gallons of PCB fluid and required a \$500,000 cleanup. In 1978 an underground pipe burst at Fed-

eral Pioneer Ltd., an electrical company in Regina that produces transformers. An estimated 1,450 to 2,300 gallons of PCB-laden coolant seeped into the surrounding ground. And in 1977 a total 3,970 gallons of transformer oil containing PCBs spilled from transformers cracked in an explosion at the Ilex Ltd. plant in Sudbury.

Insurance: In addition to plans for high-powered inspections in three provinces, the Ontario government is studying a proposal from a London, Ont., firm called Microbe Inc. to demonstrate the use of a special enzyme that neutralizes PCBs by removing the chlorine atoms from the PCB molecule. In the meantime, Canadian authorities can no longer use

expiring transformers. All stored PCBs on Prince Edward Island are stored in a Charlottetown electrical building, and last week provincial Environment Minister George McMahon ordered an investigation into PCB transport and storage. Nova Scotia has almost 64,000 gallons of PCBs, including 4,400 gallons in storage, scattered at 80 sites.

In Central Canada the PCB problem is even more serious. The provincially owned power utility, Hydro-Québec, has almost 130,000 gallons of PCBs in use, and storage facilities in the province are full. Last week, in the wake of the Kanora tragedy, the province authorized the commercial storage of a further 50,000 gallons. In Germany, there are 1.5 million

tonnes where chemicals congregate. In the Yukon, there are only 400 gallons of PCBs, but large amounts of the chemical pour along the Alaskan Highway from Alaska to the southern United States each year.

In London, Ont., residents of an area of the city beside Pottery Creek have experienced directly the hazards of PCB pollution. The creek carries effluents from factories in the Thames River. Clifford Burgess, 33, and William Wood, 31, frolicked in Pottery Creek when they were growing up. Within the past three years both men have developed rare skin cancers. Burgess has had malignant growths removed from his upper and his lower "L"



Three million gallons of PCBs contained at the New Jersey generator. Curran: "the dumbest thing I have ever heard"

Ken Fleet (left) with federal and local officials in Kanora: settling issues



incinerators in the United States and Europe. Since the United States banned PCB usage in 1980 and most European sites will no longer accept them. That means that until the provinces begin building disposal plants or approve mobile incineration units, the PCBs must be stored. And the five major commercial storage sites for PCBs are either full or are not permitted to accept waste from other provinces. After May 15, Kingston can no longer transport PCBs into Alberta. "We will force that if a transformer is functioning well, keep it—because there is no plan to take it," says David Edwards, a project manager with the Ontario environment ministry.

That hoards attention means that PCBs are stored in every province and in the two northern territories, usually on the site where they were used and often in poorly monitored conditions. Newfoundland has 2,800 gallons of PCB fluid in storage and almost 13,000 gallons in

gallons of PCBs in use and another almost 500,000 gallons in storage at 148 locations in Metro Toronto—including abandoned transformers stored in Toronto's downtown Toronto Downtown Centre—and as far as the northern 180 Ontario communities.

Stagnating: The problem persists across the West. Manitoba has 45 tons of PCBs in use and another 17 tons in storage. Alberta has a staggering 3,500 tons of PCBs in storage, largely because of the Kinistone accident at Nisku. St. Hyppre has two main storage sites for PCBs in St-Hubert, 50 km east of Vancouver and in McKenna, about 100 km from Prince George. Most of the Northwest Territories' PCBs are scattered across the land at 21 abandoned District Early Warning (now Line) sites. Although PCB levels in local fish do not constitute a health hazard, native leaders are worried because they people prefer the head and liver—the fattier

have no food habits. I am not a smoker and I have been a vegetarian for eight years," murmured Gifford, a postal worker Charles Heath, 55, a London resident who has lived on a tributary of the creek for 12 years, blames PCBs for the cancer that has afflicted him and his two daughters. Now he worries that his two children played in the creek when they were young. "How will it affect them 10 or 20 years down the road?" he asks in anguish. That question hangs over all Canadians today as they face the consequences of society's casual and profligate use in the past of chemicals that offered immediate virtues while storing up future nightmares.

With Bruce Wallace in Montreal, Henry MacIntyre in Ottawa, Ann Holmes, Ann Finkelson and Steve Ashkenfeld in Toronto, Andrew Milneford in Kanora, Suzanne Zucrow in Calgary and Ian Austin in Washington.



Highway outside Kenora after temporary repairs from PCB spill; a response that was uncertain and disturbingly offhand

COVER

The anatomy of Kenora's PCB spill

By Andrew Nikiforuk

Paul Winter, a 33-year-old Kenora building contractor, became alarmed the moment that he saw a white flatbed truck spilling fluid when it turned off the Trans-Canada Highway, outside of Kenora, Ont. Brooming the cargo as electrical transformers, Winter said that he immediately thought the substance splashing from the vehicle might be toxic polychlorinated biphenyls (PCBs), often used to insulate transformers, like those the truck was carrying. Three hours later, as he drove past the service station again on his way to a party, his suspicions were confirmed when he found the area cordoned off and alarms with flashing lights blared Winter: "As soon as I saw that, I knew there was something serious about that spill."

Winter and most of the 4,600 other residents of the northwestern Ontario community 55 km east of the Manitoba border eagerly learned that the liquid was indeed a highly concentrated form of potentially deadly PCBs. At least six

people, including a pregnant woman, were directly exposed to the substance, which can cause skin and kidney disorders, birth defects and possibly cancer. In the days that followed, people in Kenora rescued with shock, alarm, confusion and—finally—anger as they witnessed an official response that was at best uncertain.

A day-by-day chronology of the disturbing event:

Saturday, April 13. Two drivers of a truck operated by the Alberta-based Kinetic Ecological Response Group pull into the Hasty station at 4:30 p.m. for coffee. Manifest Lloyd Ejsbohm, travelling from Red Lake, Ont., to Winnipeg, stops to tell the two drivers that part of their cargo of four aging electrical transformers is leaking. After a quick inspection, the truckers discover that one of the transformers is spilling a stream of PCBs. One of the drivers immediately telephoned Kinetic's lead office in Niagra, Alta., which in turn alerts the Thunder Bay office of Ontario's environment ministry that a major leak spill has occurred. Within 30 minutes,

Kenora and Ontario Provincial Police officers, firemen and municipal officials arrive at the station and seal off the immediate area. Municipal workers—who are told that the substance is oil-spread sawdust and used on pools of PCBs while police officers sound the Trans-Canada Highway for other spills. Provincial police report areas of discoloration on the Trans-Canada as far west as Vermilion Bay, 70 km east of Kenora.

Sunday, April 14. An officer of Ontario's environment ministry serving the highway between Vermilion Bay and Kenora discovers three major spill areas—the largest a 1,000-metre-long trail of PCBs varying from one to three metres in width near Dogwash Lake, about 30 km east of Kenora. Local and provincial officials now realize that the leaking transformer has dumped a significant volume of PCBs onto the road, and they decide to isolate a higher level of authority by notifying senior Ontario government officials. As Rick Belair, co-ordinator for the Kenora District Emergency Measures Organization, explained later: "We looked after things

until it got bigger than we could handle."

Meanwhile, a sample of the spilled substance has arrived at a Manitoba government laboratory for tests. These confirm that the spilled liquid contains a solvent and 40-per-cent pure PCBs. During an afternoon conference telephone call, provincial representatives of those different ministries decide to close the highway between Kenora and Vermilion Bay. By now, 22 hours have passed since the spill's discovery and nearly 4,000 motorists have driven on or past stretches of PCB-spilled highway.

Later in the afternoon William Lees, deputy minister of the federal department of northern affairs, and Gordon Van Fleet, deputy regional director of

and a dry rag. "I can't believe you are saying that," Winter replies. "There is no bloody way I'm touching it."

At an afternoon press conference, Morton Nebel, the national union manager for the Kinetic Ecological Response Group, says that he thought of killing himself when he first heard about the spill. He adds that the decision to ship a transformer containing PCBs was a "disaster" call. It turned out to be a bad call, I guess.

Tuesday, April 16. Kenora Mayor Kalvin Winkler denies that the people of Kenora are "seriously concerned" about the spill, adding the needs of reorganization. But Charles Schaefer, a clerk at a local pharmacy, says, "If this were downtown Toronto, things would have



Winter: I knew there was something serious about that spill

the Ontario environment ministry, arrive in Kenora from Thunder Bay to coordinate the cleanup. They have never handled a PCB spill larger than a small discharge in a parking lot.

In Kenora an emergency hotline is established at the town hall, and a press release informs Kenoreans that "a brief initial exposure to PCBs produces no harmful effects" but that the spill threatens the environment.

Monday, April 15. Environment officials cannot yet accurately estimate the volume of PCBs spilled on the highway. Later in the day officials learn that the spill is at least 150 km larger than they had originally believed. More PCB spills are located in Dryden and Kenora.

When Paul Winter asks what to do about the splashes of PCBs around his truck's wheels, a government official tells him to put on rubber gloves and wipe off the contamination with Varol

been asked on a list quader."

Dr. Peter Friesen, regional medical health officer, tries to dispel fears that PCBs pose an immediate health hazard. Declares Friesen: "It would be safer to walk along a highway with PCBs than sitting in a room with a smoker."

Wednesday, April 17. Health officials announce that a "handful" of people have suffered acute exposure to PCBs. They include Ejsbohm, his pregnant wife and two young children, who drove behind the leaking transformer for 25 km, and an unidentified man who got PCBs on his arms and hands while cleaning off his windshield. Says Pamela Kellaway, a child care worker who is worried about the long-term effects of the spill on local drinking water supplies: "We don't have the expertise or the money you would have in an urban centre that that doesn't change the effects. We have a disaster on our hands."

Without explanation, Winnipeg RCMP seize prevent samples of PCBs from being loaded on commercial trailers for testing at a Toronto-based Federal Transport Canada lab. Federal transport police officials say that the samples are not labeled and packaged according to regulations governing the transport of hazardous wastes. In response, the co-ordinating team hires a private courier and eventually receives a waiver from Transport Canada to ship the testing samples to Toronto. Federal transport officials order five commercial airlines that carried the samples earlier in the week to be decontaminated.

Thursday, April 18. At 10 a.m. the Trans-Canada Highway reopens. In Kenora a half-inch of pavement has been ground off all of the PCB spill sites including patches outside a nursing home and on Main Street. Lees, the deputy northern affairs minister, concludes that the PCBs have been satisfactorily contained in the short term.

In the afternoon Randy Perchuk rushes into the Town Hall angry and upset. "What the hell is going on here?" he wants to know. He and his wife had been trapped in the Hasty gas station last Saturday for an hour while police decided what to do about the spill. They had both become dizzy and nauseated from the PCB fumes and the stress, but had been later reassured by Friesen that they had nothing to worry about. Now the local health unit wants all individuals who believe they have been directly exposed to the spill to come forward. Kinetic employees finally get up a coupon to decontaminate vehicles, including Winter's.

Friday, April 19. A field epidemiologist arrives in Kenora to interview 50 residents who may have been exposed to the PCBs. For the first time, health officials distribute 50,000 leaflets on the spill. The co-ordinating committee actively disbars but the health remains open for the weekend. Negotiations begin between Ontario and Alberta or where 130-ft-deep drains of PCB-contaminated gravel and asphalt will eventually be started. Transport decontamination officials discover that the truck carrying the transformer is still leaking and cannot be moved.

Saturday, April 20. A new flatbed truck is ordered from Edmonton. It is to be equipped with a drip pan beneath the transformer and covered with a rubberized tarpaulin. Meanwhile, the motorist's transformer remains immovable and its journey to Alberta was not set to begin until midweek.

Although provincial authorities now pronounce Kenora clean, questions about the spill's long-term impact in the community almost as dramatically as the enduring PCBs now seeped to 280 km of pavement along the Trans-Canada Highway.

An enduring menace

By Ann Finlayson

Until researchers began to express alarm in the mid 1970s, polychlorinated biphenyls, or PCBs, appeared to be a safe and simple solution to a wide variety of industrial problems. Because the opaque PCB liquids—methane-like compounds of chlorine, hydrogen and carbon—are chemically inert, they are not affected by acids or corrosive chemicals, they will not ox-

idize the use of PCBs in 1979—continue to use old equipment containing the chemical. PCBs had other uses as well. The oil traditionally spread on country gravel roads as a dust suppressant often contained PCBs, and the chemical was extensively used as a plasticizer in paints, rubbers, waxes and asphalt. So unafraid are PCBs that millions of North Americans lived with the substance for years in their television screens and wall-to-wallings, in the colored cinnam-

tion in human beings and infertility and birth abnormalities in monkeys and birds. Researchers have also found PCBs in varying amounts in 90 per cent of all North Americans.

Unpredictable: Still, short-term human exposure to PCBs can result in nothing more serious than a temporary rash or eye irritation. Said Peter Maronella, an environmental emergencies chemist with Environment Canada, "Short-term exposure is generally not as much of a problem if people wash immediately afterward."

Indeed, most experts in the field now agree that the long-term risks are much greater, but the exact nature of the threat posed by PCBs to human life continues to generate controversy. Said Dr. Roger Cortes, director of the U.S. Environmental Protection Agency's office of regulatory research: "These things are largely unpredictable in human populations. Prediction demands proof of cause and effect that scientists cannot now provide."

Disaster: But U.S. scientists considered PCBs dangerous enough to ban their use in all new industrial equipment in the United States in 1979. Canada instituted the same policy seven years later. Now Environment Canada estimates that at the time of the ban 95,130 tons of PCBs were in use throughout Canada. A large part of this is probably still being stored around the country because no Canadian province possesses the highly specialized containment

facility needed to burn PCBs at sufficiently high temperatures—more than 1,600°C—to destroy them. In the meantime, PCBs can enter the environment through spills like that in Kenora, Ont., and in less dramatic ways. They can leak slowly from hydraulic and heating systems or leak into the surrounding countryside from municipal dump sites or sewage facilities. They can remain in the soil for decades as a residue of the runoff from treated roads. Even when they are safely contained in steel drums, PCBs wait for a major practical and political dilemma for provincial authorities, who feel that most Canadians are opposed to having storage and disposal sites near their communities. But, said Maronella, with every year of delay "we lose more to the environment"—and is no doing build the potential for an environmental and human tragedy



Dump site on the Lower Canal, a flurry of interest followed by political strife within the Reagan administration

The United States' toxic deadlock

By Ian Austin

The cleanup campaign clearly bears the marks of the Lower Canal aftermath. During the catchy name Superfund, the United States government set out five years ago on a \$16-billion program to clean up the poisonous chemical graveyards that dot the country's landscape from Maine to California. Now, with a September expiry date for the program rapidly approaching, it is clear that Superfund has fallen far short of its grand title. The plan created bureaucratic and political strife within the Reagan administration and opposition from the states. And so far Superfund has accomplished the cleanup of only six of 12 dump sites. Said

United States where PCBs, dioxins, acids, industrial poisons and other toxic chemicals have been dumped range as high as 15,000. The Superfund program itself has a "worst case" target list of just under 1,300. Of those, the Environmental Protection Agency under administrator Lee Thomas now claims that a mere 12 have been cleaned up.

Persistent: The idea of the fund was simple. All but about 15 per cent of the funding was to come from a special tax on feedstocks such as oil, natural gas and coal purchased for conversion into chemicals. In addition to the money the EPA was granted broad powers to persuade polluters to clean up the messes they had made. But the program was introduced just as President Ronald

In the meantime, the Superfund program found itself facing other financial and political problems that, to a large extent, proved to be its doom. Many states are financially unable to meet the cost-sharing burden imposed on them by the Superfund program. For their part, environmental groups charge that the EPA has yet to develop a standard of cleanliness for identified sites.

While few observers doubt that Congress will renew the Superfund before it expires in the fall, concerns are growing over the country's shrinking capacity for handling toxic wastes. Tougher cleaning rules have improved disposal methods. But the stricter standards have also reduced the number of firms willing to, or capable of, handling the deadly waste. The United States still has only one licensed incinerator capable of meeting the EPA requirement of 99.99-per-cent destruction of PCBs.

Superfund: That stockpile of unwanted substances is likely to grow in the future. According to EPA regulations, all electrical equipment containing PCBs stored near animal feed or human food must be disposed of by October. Then, in 1983, any electrical device with more than three pounds of the toxic fluid must be scrapped. As a result, as many as 750 million pounds of PCBs may have to be destroyed. While laws against polluting the environment are on the books and the Superfund will have a new lease on life, the ultimate solution to the festering problem of toxic wastes remains elusive.

Thomas: 'worst case'



Reagan, who has seemed little passion for environmental concerns, took office. As a result, the launch of the Superfund program was flawed. Then, in 1981, felony charges were laid against Rita Lavelle, the first head of the state waste Superfund program. A jury found Lavelle guilty on four counts of perjury and impeding congressional investigations into a toxic waste environmental case against her former employer, the Canadian-based Aerogel-General Corp.



Kinetic Ecological Resource Group plant in Alaska, Alaska: a political dilemma

duct direct electric currents and they burn only at extremely high temperatures. Those properties made PCBs one of the wettest chemicals of the 1950s and 1960s. As well, they appeared to be an ideal material to be used in cooling electrical transformers. But the same properties of durability that made PCBs useful to industry make it virtually certain that the lethal toxin will continue to threaten the environment—and human lives—for decades.

Until the 1970s PCBs had been used freely and without restrictions around the world. Indeed, some industrializing countries continue to sanction its use, primarily as an insulator and coolant in filled-appliance electrical transformers and capacitors. At the same time, industrial nations like Canada—which

their newspapers and even in some brands of cosmetics and gum.

Threat: Although PCBs were first identified more than 200 years ago and used industrially from the 1850s, the threat they pose to the environment and to life was not recognized until 1968. At that time, Swedish researchers found PCBs in the embryos and fetuses of drowned sea eagles. Then, in 1969 a human disaster forced international action on the chemical when the use of PCB-contaminated cooling oil in Japan resulted in skin eruptions, rashes, rashes and an above-average incidence of malignant tumors, stillbirths and birth defects among 1,200 victims.

Since then, studies have linked PCBs to cancers of the breast in Japanese women, hair loss and abnormal pigmen-

"Gulf Canada's Arctic exploration helps speed grocery delivery to Tuktoyaktuk, Aklavik and Sachs Harbour."

Jim Livingstone
Manager - Community Affairs - Inuvik
Gulf Canada Resources Inc.

Thirty years ago Gulf Canada began exploring for oil and gas in the Canadian Arctic, believing that some day the North would provide major energy supplies for Canada.

Today, Gulf's exploration programs both in the Beaufort Sea and onshore in the Mackenzie Delta, create hundreds of jobs. In 1984, Gulf paid over \$7 million in wages that stayed in the North.

The expanded demand for supplies, equipment and services has stimulated the economy of the area, increased availability of everyday needs, and enhanced life generally for residents in many northern communities.

There was a time in Tuktoyaktuk when it could take weeks, even months, to get a package of sewing machine needles or a truck for your snowmobile. The needed item might be on order, but waiting in Edmonton until a truck had a full load.

Today, thanks to Gulf Canada and other major exploration operators, the demand for supplies — fuel, drilling equipment, food — has exploded in the North. Now trucks arrive at least twice a week, carrying everything from spare parts and anti-freeze to washing machines, TV sets, oranges and iceberg lettuce. Because of more frequent service and economies of scale, costs are reasonable compared with the past.

A large part of the trucking business itself is a northern enterprise, run by northern people. Ports



Jim Livingstone was born in Sydney, Nova Scotia and obtained an economics degree from the University of Dalhousie before joining Gulf's Inuvik office in 1975. Currently based in Inuvik, Jim enjoys community events with his daughters Leanne and Katherine.

North Trucking and Metro Trucking are two northern operated transportation companies working for Gulf and contributing to the economy of the northern communities.

Ice roads mean cold cash for Northerners

The building of ice roads in the Delta is another northern business that benefits from Gulf's northern exploration. Why? The tundra is ecologically delicate. It could be easily and permanently damaged by heavy trucks, tractors and such. To protect the thin layer of vegetation which insulates the permafrost below, Gulf engineers build roads of ice that provide a strong surface to carry the heaviest trucks while preserving the land in deep-frozen peace.



Frédéric Leclair, Manager Corporate Affairs for the Inuvialuit Development Corporation (I.D.C.), loads groceries and supplies with pilot Wilford Hagen, co-owner with I.D.C. of Aklavik Air. In 1981, Gulf awarded the food supply contract for all its drilling operations to I.D.C. The result was Beaufort Foods. "The \$3 million contract with Gulf got us into business," explains Frédo Leclair, and our operations have continued to grow. In addition to supplying both Gulf and Dome, we now supply food to new communities in the Western Arctic using the regular flights of Aklavik Air.

Back Street is one of the operators building ice roads for Gulf. Trucks and other transportation concerns in each of Tuktoyaktuk, Aklavik and Inuvik have won Gulf contracts, spreading the benefits among northern businesses.

To simplify the bidding process for northern companies, Gulf's buyers travel to Tuktoyaktuk, Aklavik and Inuvik to receive the bids and award the contracts locally. They also hold local seminars to help suppliers and contractors understand Gulf's local purchasing policies and bidding process.

Extended drilling program expands northern job opportunities

Gulf's new technology drilling system has extended the Beaufort Sea drilling season for floating drilling units. Kulluk, a large, anchored, floating drilling unit can drill from June into December. When Gulf's four power ice ice breaking support vessels end 90

longer manage the increasing cover of new and red-ice year ice, Kulluk is towed to winter harbor off Herschel Island — the site of Gulf's floating marine base. The second drilling unit, Malukpak, is a massive steel moveable island with a base almost as large as two football fields and is capable of year round drilling. In 1984, Malukpak drilled to the end of December, and is scheduled to drill right through the '85-'86 winter season.

In the summer, native-owned companies such as Beluga Transport (Jimmy Gordon, proprietor) carry supplies for exploration down the Mackenzie River. And throughout the year, Gulf uses northern-owned airlines such as Aklavik Air.

Gulf drilling on Inuvialuit land makes jobs for locals

In 1984, Gulf became the first oil company to be permitted drilling rights on Inuvialuit land in the Mackenzie Delta. Early this year Gulf and its partners drilled the Shokagashishch

D-50 well and a second exploratory well Otagak D-52 on non-Inuvialuit land. Fourteen of the 32-person crew at the camps were native Northerners working jobs such as bulldozer operators, truck drivers and roustabouts. All groceries were supplied by Beaufort Foods, 50 per cent owned by the Inuvialuit Development Corporation. Beaufort Foods got its start two years ago with a major contract from Gulf to supply all food for the company's drilling operations.

In addition to providing employment during the winter months when the Northerners' economy traditionally suffers the most, new technology is also being transferred to northern companies. For example, a company in Whitehorse, aptly named Midnight Sun Drilling, was hired to blast the drilling swamps frozen to bury the drilling mud. "We had never done this type of drilling before but Gulf was assured that if we could drill in the mines in the Yukon, we could drill swamps," says Dave Jamieson, president of Midnight Sun Drilling.

Exploration can help stimulate the Canadian economy

Gulf Canada has frequently pointed out that petroleum exploration and development is one of the fastest ways to create jobs. Gulf has urged that incentives for drilling be geared to encourage even more work on the frontiers and in Western Canada. Not only do the local people benefit, but the dollars spent for the needed goods and services in one region ripple out to all parts of Canada.

If you would like a copy of Gulf's booklet "The Search for Oil and Gas in the Beaufort Sea and Mackenzie Delta", write to:

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GULF CANADA LIMITED

Getting set for a political showdown

By Anthony Wilson-Smith

Seated by the window of his sixth-floor room in the new J.W. Marriott Hotel, one block from the White House, Robert Bourassa gazed at the serene Washington skyline with a chuckle. "Every politician should make a point of seeing all this," said the Quebec Liberal leader, gesturing in the direction of the White House. "It is wonderful." Then, after a pause, he added, "Right now, everything feels wonderful."

Bourassa, who spent two days in Washington last week promoting U.S. investment in and purchase of Quebec electricity along with a new book he wrote on hydroelectric policy, had reasons to feel "wonderful." A warm reception in the U.S. capital gave the former Quebec premier (1970-76) a lift as his most high-profile venture since his political retirement as Liberal leader 18 months ago. And with a personal injection contest expected in weeks and a general provincial election due within a year, a new opinion poll placed Bourassa's Liberals well ahead of problem-plagued Premier René Lévesque's beleaguered Parti Québécois.

Indeed, Bourassa's Washington visit was aimed at promoting an issue that, he told *Montréal*, "will by its very largeness be one of the most crucial platforms in our election campaign." His new book, *Power From the North*, discusses an ambitious \$80-billion plan to move the hydroelectric capacity of the James Bay hydroelectric project to 32,000 megawatts (page 6).

That would give Quebec massive amounts of surplus energy to sell to northeastern U.S. states by the end of the century. Said Bourassa: "I am saying we should do this project for us for our good now but, more importantly, for our children and their children to come."

But along with publicizing the hydroelectric project, Liberal organizers said they hoped that a warm, pleasant reception for Bourassa would contrast favorably with the bad publicity Lévesque

has received for several apparent diplomatic gaffes in recent months. In fact, the trip, organized by the American public relations firm of Burton Marsteller, was so tightly orchestrated that Bourassa had an adviser tell him how to best color co-ordinate his wardrobe for television (in Washington, Bourassa favored light-blue suits).

A series of meetings with congressional representatives and senators, mainly from the northeastern states, earned Bourassa several formal endorsements. After one meeting, James Oberstar, a formerly bilin-

gual center-left route and that the party lacks a comprehensive electoral platform. That criticism comes on the heels of the deeply divisive denials last January not to discuss the independence issue in the next campaign. Declared Gilbert Paquette, a former cabinet minister who quit the party last February and now sits in the national assembly as an independent: "I belonged to the PQ when it was sovereignist and social democratic. Now, it is neither, and the leader must bear the blame."

Said Henry Milner, an anglophone member of the PQ's executive committee: "We do not appear to have any substantive new ideas to take into a general election. Perhaps we need a leadership campaign to reopen discussion in which the PQ appeared to be regaining ground lost to the Liberals. Bourassa's party may now have all the support it needs. A poll conducted two weeks ago by the Institut Québécois d'opinion publique and commissioned by the newspaper *Le Journal de Montréal*, showed that the Liberals lead the PQ by a margin of 50 per cent to 25 per cent. That result is likely to be particularly damaging to Lévesque, who for the past four months has faced consistently waning optimism from former and current PQ members. Many party members say that he has lost touch with the PQ's



Bourassa in Washington: an ambitious plan for selling and seeking renewable power

gual congressmen from Minnesota, wrapped his arm around a beaming Bourassa and told reporters and Quebec TV audiences in French: "You must tell people to vote for this man. He has all the right ideas."

As well, Bourassa's plan for James Bay received the endorsement of James Schlesinger, the former U.S. energy secretary, who wrote the introduction in *Power In Quebec*, traditionally one of the most pro-American Canadian provisions, one Liberal organizer said those endorsements "win us a few thousand votes right away and another 10,000 or so every time people see Bourassa standing in front of anything that looks like the White House."

In fact, after a period of several

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own about what we stand for." Party membership has now dropped to 108,000 from a 1981 high of almost 380,000, and some party organizers say this year's lead-racing campaign, with a goal of \$2 million, is behind schedule. In fact, some PQ members admit that there is enough dissent with Lévesque's leadership that as many as a dozen senators and backbenchers might run again if he stays on. Said Jacques Bouché: "There is an enormous gulf against him, but it is fair to say that there are a number of members who are awaiting his decision on running before they make theirs."

Lévesque's own standing has been further damaged recently by several incidents of embarrassing behavior and by the media's increasing readiness to plug up his gaffes. Three weeks ago he shocked onlookers during a visit to a medical centre when he jokingly offered a cigarette to a handicapped five-year-old boy and he was also roundly criticized by the media for remarks he made during a visit to New York City in March in which he described the Chinese people as "jokers" (But retorts observers of Lévesque are aware that the premier has always delighted provoked and him often shows a tendency to don't overstate. What is different is that the press is less ready to overlook his slips. Lévesque, notes Graham Fraser, author of the recent book *P.Q. René Lévesque and the*



Lévesque speaking at a meeting

Pierre Boudreau, "used to be forgiven because of his entrance into other qualities. That is no longer the case."

As well, Lévesque frequently has been rude and impatient with members of his personal staff, and has annoyed several cabinet ministers by taking over personal control of key issues that had been under their jurisdiction. Indeed, following the resignation of senior adviser Jean-Roch Boivin and several other top aides in the premier's office last year, one caucus member said the 62-year-old Lévesque "seems to have driven this himself—either listening to or trusting anyone else's judgment."

Still, in the past Lévesque often has watched his reputation for unpredictability with remarkable political resilience. Boivin, who has known Lévesque for close to 30 years, is still wary of the political skills of his old mentor. Said Boivin: "We would be making a terrible mistake if we were to presume that just because René is down now he is also out. He is still the leader and he will decide for himself whether he stays or goes—and when."

In the meantime, Boivin plans to travel to New York next month to discuss financing of his James Bay project with several Wall Street financiers. But, as Boivin said, "Until we can get to an election, I make these trips as a private citizen with no idea—and wishing were so."

The vindication of a postie

As the victor in a long and bitter battle, Affinity Varma received the applause of his fellow postal clerks when he punched in at Canada Post's Scarborough, Ont. letter processing plant last week. Ten months ago managers at the plant suspended and then fired Varma, 43, for leaking confidential Canada Post documents to Conservative members of Parliament. Varma's dismissal, and his allegations of waste, mismanagement and corruption in the postal system, became a sensation among Tory MPs when the party was in opposition. Now, with the Conservatives in power, pressure from the offices of Prime Minister Brian Mulroney and Revenue Minister Pierre Beatty forced Canada Post reluctantly to reinstate Varma—and gave the Crown corporation's president, Michael Warren, the appearance of being an inept bystander in the dispute.

As Canada Post officials and Varma's lawyers worked out a settlement, reports circulated in Ottawa that the posties' interference in Canada Post's operations infuriated Warren. While Beatty, who answers for Canada Post in Parliament, dismissed the stories as "unfair," Warren—leaving a week-

long silence on the issue—scooped up a reporter's statement that Mulroney's office appeared to be "calling the tune" on the Varma case. "I guess the impression has probably been left that it is so," said Warren.

Both Beatty and Mulroney insisted in the Commons that they had total confidence in Warren. But Conservative MP Dan McKenna, who took up Varma's case last year, demanded that Warren be suspended until a new investigation into Varma's charges of inefficiency in the postal system is completed.

The negotiated settlement with Canada Post provided Varma, with seven months' back pay and gave him the right to take part in an independent investigation of his charges that will be carried out by the Toronto management consulting firm of Laventhol and Horwath. The firm's report—it will be made public after it is completed—will examine Varma's allegations,



McKenna calls for review

which McKenna subsequently pressed in Parliament. For one thing, the backbench member for Winnipeg-Brandon last year charged that trucks of mail were left unsorted in Toronto for weeks, there was overspending on new equipment and that as much as \$208 million was lost through Canada Post waste and mismanagement in the Toronto area alone over a two-year period.

A parliamentary committee investigating McKenna's allegations last year let the Liberal-dominated panel drop the matter after Warren testified that the allegations were without substance.

In the meantime, Revenue Minister Beatty declared that the cabinet will consider closely Canada Post's application for a rate increase that would raise the cost of a first-class letter to 36 cents from 32 cents in June. Cabinet has 60 days to decide whether the increase is justified, and Beatty added that, like most other Canadians, most members of the Tory caucus are "concerned about the rate increase."

—KEN MACGOWAN in Ottawa

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Mulroney in Parliament, a plot to hand native rights to the regions

Pricing Indian rights

For Brian Mulroney's government the publication last week of details from a cabinet document entitled *Overcoming of Indian and Native Programs* took place at an socially embarrassing time—just two weeks after Mulroney finally defused the development of native self-government during a nationally televised constitutional conference on aboriginal rights. The Canadian Press news agency reported that Ottawa was considering proposals to save \$180 million a year by reducing the size of the department of Indian affairs and northern development. The report of a cost-cutting task force proposed a "major and substantial shift" in responsibilities for Indian and Inuit in responsibility transfer to the provinces, native education, health and economic development programs. As well, one section of the report recommended cutting to a bare minimum federal assistance for reserve housing in order to force Indians to move to "areas of economic opportunity."

The revelations angered leaders of Canada's 354,000 status Indians. Several of them compared the proposals to the Liberals' 1969 white paper on native affairs, a discredited policy document which caused a storm of protest by recommending the elimination of reserves and special Indian rights. For their part, the opposition Liberals and New Democrats denounced the Conservatives in Parliament for planning to betray native people. At the same time, government ministers tried to limit the damage caused by the 385-page report, one of

several cost-cutting programs which a study team appointed by Deputy Prime Minister Erik Nielsen is preparing. Mulroney promptly denied it but the report was "not a statement of government policy," then pledged firmly that there would be no cuts in financing programs designed to correct the "historic inequalities" faced by native peoples.

But Mulroney was unable to appease the native leaders. Noel Sturtevant, a spokesman for the Assembly of First Nations, which represents the majority of status Indians, declared: "It has already damaged the relationship it is new up to the Prime Minister and the minister of Indian affairs to try to rebuild it." Sturtevant added that because of the report the assembly would re-evaluate its participation in future constitutional conferences on aboriginal rights.

In the meantime, some Ottawa veterans said that the episode indicated a sharp split between the right and left wings of the Mulroney cabinet. Nielsen, a powerful hard-line, appears to have granted only marginal participation in the report to Indian Affairs Minister David Crombie, a party left winger. Last week Crombie appeared shaken by the report and acknowledged to reporters that he had only seen the body of its recommendations after it appeared in the media. But Nielsen seemed annoyed by Crombie's claim. Declared the deputy prime minister as he shut his office door on reporters: "Is that what he said? I doubt that."

with Michael Rose in Ottawa.

A murderous proposition

Eleven years ago Peter Demeter, a once-wealthy Toronto real estate developer, was sentenced to life imprisonment for arranging for a person, or persons, unknown to murder his beautiful 38-year-old wife, Christine. Last week Demeter, who is still serving that sentence, went on trial in a Peterborough, Ont., courtroom, where he pleaded not guilty to charges of counselling two men to commit another murder—this one of his fourth cousin, 30-year-old Stuart Demeter. Outlining the case against Demeter, assistant Crown Attorney Lerne McConevery told the jury that Demeter wanted Stuart to be murdered and his teeth pulled to prevent identification of the body. In the meantime, said McConevery, the boy's parents would face a list of ransom demands not knowing that the "very sweet boy"—as he said Demeter termed it in a secretly tape-recorded conversation to be introduced as evidence later—would already be buried in a crash-pool under a house Demeter owned in Peterborough.

The new charges against Demeter, who is now 52 and is confuting his own defence, date back to the fall of 1968 while he was enjoying day parole status after serving more than eight years of his sentence in Warkworth Institution in Campbellford, Ont. As a day parolee, Demeter lived in a Peterborough halfway house and was free during weekdays. During that period, said McConevery, Demeter approached an on-again Michael Lane of Peterborough and Hamilton resident Anthony Preston in an attempt to arrange Stuart Demeter's murder. But Lane went to the police. He equipped him with hidden recording devices and arranged television cameras in his house for future meetings between the two.

In outlining his case McConevery read a note bearing Demeter's fingerprints that was found when police searched Preston's home. The chilling message set forth 15 demands that would have been made to supposedly save the life of the boy, the son of Peter Demeter's third cousin, Dr. Steven Demeter. Most of the demands were financial, including one for payment of taxes on Demeter's Mississauga property and another for stock to be transferred to the account's name. As for a motive in the case, McConevery suggested that Demeter acted out of revenge, perhaps because Steven Demeter was made guardian of Peter Demeter's 15-year-old daughter, Judith, after he was first sent to prison in 1974. —CINCY BAKER

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South African troops on the Angolan border; interracial couple (below): talking reform while cracking down on dissent

WORLD

Removing the color ban to sex

In the face of mounting racial violence at home and the threat of painful economic sanctions from abroad, the hard-pressed South African government last week initiated a series of policy changes that have profound implications for the troubled country. In rapid succession parliament announced the dismantling of laws proscribing interracial sex—one of the pillars of apartheid—and the ending of restrictions on black citizenship and ownership of land. The domestic reforms were accompanied by equally important developments beyond South Africa's borders. Speaking in Cape Town, President Pieter Botha announced that his country's armed forces would complete a long-stalled withdrawal from Angola and that Pretoria would recognize the creation of a new interim government in neighboring Namibia. But Botha's initiatives either placated the nation's black majority or spurred foreign governments opposed to South Africa's racist policies. Said Rogers Nashe, general secretary of the South African Council of Churches, "It is a case of too little, too late, from the viewpoint of blacks."

Botha's announcements came amid continuing racial violence which has claimed more than 300 lives in the past year. Last week another five blacks died

in clashes with police in the tension-rife Eastern Cape province. And for the first time the disturbances spilled over into white enclaves, when a white youth was dragged from his car by a mob of blacks and set on fire. At the same time, international pressure built dramatically. The European Parliament urged Communist Member states to cut all

said Willy de Clerck, external affairs commissioner of the European Community. "You cannot half-respect human rights."

Indeed, for many South Africans the repeal of the 1949 statute prohibiting interracial marriages and of Section 16 of the Immorality Act forbidding interracial sex was more significant symbolically than practically.

Between 1968 and 1971 there were about 12,000 prosecutions under the laws, but as of last week only 25 cases were still before the courts—and those are likely to be dropped. Still, as U.S. state department spokesman Bernard Kalb noted, "These two acts represent some of the more obvious aspects of apartheid, and their demise will not be unmarked." Yet some anti-race couples said their lives would not be changed by the abolition of the laws. Said one white woman married to an Indian, "The only thing that this does seem to me is



will not have politicians smothering our door in the middle of the night." Indeed, some black leaders dismissed the move as almost irrelevant. "Freedom of sexual association has never been a basic issue," insisted Patrick Ekeke, spokesman for the United Democratic Front, a black antiracial alliance, "which is why the government has chosen it to make a splash."

Pretoria made its move last week that the other cornerstone of apartheid—the Group Areas Act—will be strictly enforced. The Act dictates where blacks, whites, Indians, and people of mixed race may live. But other observers argued that having eliminated the so-called "no-go" areas, blacks would eventually be forced to introduce still further apartheid reforms. Underlining that point, the government last week announced that blacks would soon be permitted to own property outside townships and would not lose South African citizenship when homelands become independent. To date, four out of 10 homelands have been declared independent, costing millions of blacks their citizenship and their right to work in industrial centers.

But the domestic reforms were offset by a tough line on independence for neighboring Namibia. In withdrawing an invading force from adjacent Angola and setting up an interim self-governing government in Namibia, Pretoria seems to have scuttled the Reagan administration's four-year effort to link a Namibian settlement to the repatriation of an estimated 50,000 Cuban troops in Angola. It also called into question the future of United Nations Resolution 435, which South Africa has accepted and which calls for free elections in Namibia leading to independence. Botha insisted last week that Pretoria would continue to negotiate a settlement for the mineral-rich territory on the basis of Resolution 435. But in creating a moderate governing coalition in Namibia, South Africa was clearly using leverage to sue against the Namibian guerrilla group, the South West Africa People's Organization.

The Namibians have brought a civil and political movement from the state department in Washington, which said that any transfer of power to "bodies established in Namibia by South Africa is null and void." But analysts said that the U.S. protest was exactly what Botha needed to help silence right-wing extremists, who are increasingly critical of his concessions on the apartheid front. The government is engaged in a tricky balancing act, seeking to win the support of moderate blacks but to retain white Afrikaner control. If nothing else, both sides' performance may have bought Botha some much-needed room for maneuvering.

—ALLISTER SIMPSON in Johannesburg

LEBANON

A dark night of murder



Fighting in Beirut last week: 'No one can justify what is taking place'

In almost any other country the event would have passed without comment. In strife-torn Lebanon it led to a raging battle, left scores of people dead and wounded and forced the collapse of the country's "national unity" government. The event, the opening of an office by one Maronite sect in an area of West Beirut controlled by a rival Maronite group. Last week, as the day Mediterranean nations marked the 16th anniversary of civil war, Lebanon approved a complete collapse. Declared Shafiq Karame after he submitted his resignation as prime minister: "What am I to say to the people? No one can justify what is taking place."

On 15 hours, as the terrified population of Maronite West Beirut huddled in basement offices and private corridors, the Soviet Moscovites fought running street battles with the Shiite Amal. Witnesses described the fighting as the worst in months, the capital's night sky lit by mortar and rocket-propelled grenades and anti-aircraft guns—all used in close proximity to densely populated neighborhoods. Emerging from shelters the next morning, even the war-weary people of Beirut stared in awe—and anger—at the devastation: the hulks of burnt-out automobiles, half-destroyed apartment blocks and the spectacular fire of tra-

ken glass and trailing power lines—a city reduced to rubble.

Clearly, the violent night of April 16 opened a new and dangerous chapter in the existing Lebanese tragedy: open conflict between the nation's Sunni and Shiite communities. Militarily, the once-dominant Sunnis had been routed, as the triumphant Amal—backed by the Druze Progressive Socialists—overran Maronite positions. Then, in the hours after their conquest, scores of armed Shiite warriors paraded through West Beirut celebrating victory, wildly

bringing their guns into the air, assaulting Sunnis on the street and openly looting, looting. For Prime Minister Karame, a man of legendary patience and elaborate optimism, the Shafiq-Shiite schism represented the final blow to his year-long effort, under Syrian tutelage, to reconcile Lebanon's myriad warring factions. Denying the "dark and brutal night," Karame—himself a Sunni—underlined the magnitude of his entire effort.

Karame later agreed to stay on in a caretaker's role until a new government is formed, but he said that neighboring Syria must be made fully aware of "the danger and magnitude of what is happening in Lebanon." With that, Karame ended signals by view that the Amal attack on the Moscovites had been



Karame the final blow

sacculated by Damascus. Both the Syrian leader, Hafez Assad, and his close ally, Hafez Assad, held talks with Syrian leaders only hours before their forces began storming Syrian positions. And most observers said that they would not have launched their offensive without Syrian approval.

In fact, there were several indications that the attack was part of a Syrian design to regain control over areas of Lebanon that had begun to slip from its grasp. Indeed, the recent outbreak of Christian-Muslim clashes in the southern port city of Sidon and the resurgence of tension along Beirut's Christian Line, which divides the city's Christian eastern sector from the Muslim west, were serious setbacks for Damascus. In that environment, Palestinian guerrillas loyal to PLO chairman Yasser Arafat—the sworn enemies of Syrian President Hafez Assad—might have begun returning to the city from which they were evicted in 1982, using their traditional alliance with the Moslems as a shield. As well, for these nights before April 16, pro- and anti-Arafat forces fought fierce battles inside the sprawling Burg al-Burqa refugee camp in South Beirut.

Justifying the anti-Moslemism onslaught, Assad leader Reif indicated that there had been an Arab conspiracy involving "Jahids and guests to Beirut," an apparent reference to the Palestinians. The Syrians, he noted, had started the fighting to block a new Arab-Druze alliance, under unified military command, aimed at restoring control in West Beirut. After last week's battles the new alliance was formalized at a meeting between Reif, Arafat and other Syrian-backed leaders—and a joint strike force was set up to patrol West Beirut.

Assad may now try to eliminate two other obstacles to Syrian hegemony in Lebanon: the chaotic situation in Sidon and the rebellion by Christian militias against President Amal Gemayel and his pro-Syrian policies. A drive against the Christian Lebanese Forces in the both overlooking Sidon could bring the rebels and force it to seek a political accommodation. But even greater problems for Syria will be posed by the Saudis, who by tradition always occupy the prime minister's office. In talks with Assad in Damascus last week, Karanis insisted that if Syrian troops try to force the Moslems out of its territory, it will strongly oppose them. He refused to serve in the cabinet and there will be no government. On the other hand, if Assad agreed a hands-off policy in the Saudi areas, Arafat's PLO may stage a comeback. For Lebanon, the only remaining certainty is that the national agency has not ended.

—JOE MUELLER IN BEIRUT

ISRAEL

Making friends on the Nile

The meeting in Thama Maharak's back-lined Cairo after marked a warming trend in the "cold peace" that has characterized Egyptian relations for two years. Last week's cabinet minister Reif Weizman became the highest-ranking Israeli to visit Cairo since Egypt withdrew its ambassador from Tel Aviv in protest over Israel's 1982 invasion of Lebanon. His three-day visit, including the two-hour conference with the Egyptian president, raised expectations that a summit meeting between Maharak and Israeli Prime Minister Shimon Peres might be in the

cards. The entire cabinet by telephone, which resulted in a 13 to 12 vote in favor of the trip.

Once Maharak arrived in Egypt, the narrowly elected cabinet crisis was eclipsed by the prospect of a summit. After meeting with Maharak, Weizman reported that the Egyptian president was "very positive" in the idea of meeting Peres. Still, there were obstacles in the path of a summit. Egypt is demanding international arbitrators to settle the future of Taba, a strip of disputed border territory on the Red Sea. Likud opposes that approach, preferring to re-



Weizman (left) with Maharak: a discordant note onstage threatening improved ties

ally—perhaps as early as June. But Maharak after the talks. "A summit is important for Peres and it is also as far as I am ready to meet him anytime." Still, Weizman's visit provoked the first serious strains within Israel's fragile national unity government, a discordant note onstage that threatened the improved ties with Egypt.

In fact, led by Foreign Minister Yitzhak Mordechai, the right-wing Likud faction in the cabinet unexpectedly tried to block Weizman's trip, which had been announced two weeks earlier. Weizman, a former Likud supporter and defense minister now aligned with Peres's Labor bloc, is a minister without portfolio who is responsible for Egyptian relations. Likud charged that Weizman's Cairo visit was an attempt by Labor to usurp Shimon's authority over foreign policy. Labor supporters argued that postponing the trip would harm both the government and the peace process. After the 10-member Labor cabinet refused to approve the trip, Peres was forced to

sway the issue by mediation. Peres is willing to consider Labor's demand, but only as part of a deal including restoration of full diplomatic ties, increased trade and tourism and an abandonment of anti-Israel hostility in the government-controlled Egyptian press.

Nevertheless, a three-man committee appointed by both Peres and Shimon last week began preliminary work on a summit agenda, indicating that, for now at least, Likud was unwilling to impose further strains on the coalition. But the Weizman affair has clearly driven a wedge of suspicion into the working relationship between Peres and Shimon, casting doubt on the coalition's ability to survive until October, 1988, when Shimon is scheduled to trade posts with Peres. Although neither party wants to force elections now, the lesson of the Weizman trip may be that Israel's search for peace with its neighbors will continue only at the cost of further instability at home. —TOMMY MASON, with David Ben-Zur in Jerusalem



Reagan with Nicaraguan refugee of anti-Sandinista dissent: double endorsement

THE UNITED STATES

Reagan's brush with history

Charged that his administration is more apt at public relations than at governing. But last week the U.S. President's vacillating conciliatory stunts seemed oddly off key. The result was a double-barreled endorsement. First, American Jewish leaders were incensed by Reagan's plan to visit a war cemetery in Germany next week. Then, the administration's efforts to win support for anti-Sandinista Nicaraguans rebuffed found a political foe at home and abroad. Said one conservative column leader: "His Hollywood background has sometimes prevented him from being sensitive enough to the realities that are out there."

Reagan's week began promisingly enough with an extensive lobbying blitz on behalf of his \$10-million proposal to fund Nicaragua's right-wing contra rebels. At a dinner for Nicaraguan refugees, the President condemned the country's Sandinista government, charging that it has tried free speech, slaughtered Moslems and forced peasants into concentration camps. Calling for talks between the contra and the Sandinistas, his original proposal limited U.S. assistance to "humanitarian" needs—unless the talks proved fruitless, in which case the funds could be used for arms.

But everywhere he turned, the plan met fierce opposition. House Majority Leader Jim Wright said it amounted to "an overt effort to overthrow a government in this hemisphere." Reagan's own Latin American allies also deserted

him, as first Colombian President Bernardo Betancourt and later Costa Rican President Luis Alberto Monge withdrew support. Even more embarrassing was the Vatican's condemnation of a White House claim that Reagan had received verbal backing for his plan from Pope John Paul II. At week's end the administration, conceding defeat, asking Congress for humanitarian aid alone. At the same time, Reagan faced a barrage of criticism over his planned visit to the Bitter military cemetery in West Germany after the May 2-4 economic summit in Bonn. The visit was originally scheduled by West German Chancellor Helmut Kohl as a gesture of reconciliation to mark the 50th anniversary of the end of the Second World War. But when it was discovered that some 30 officers of Hitler's feared SS Schutze staff were buried at Bitter, Jewish leaders reacted angrily. Said Arthur Hirsch, an anti-Soviet leader: "A visit to this particular cemetery is to us unacceptable. These are and were criminals." Reagan's critics were not mollified by his belated denials to see the Bergen-Belsen concentration camp site as well, and they were further outraged when the President, defending the Bitter trip, said that Germans drafted into Hitler's armies "were victims" for his Wehrmacht trip, it was clear that the week's events had left an ugly tarnish on the administration's shiny image.

—TOMMY MASON, with correspondents' reports

PERU

A solid vote for change

His political views are still a mystery, and the party he represents has never before formed a national government. But last week Alan Garcia Pérez, 35, the charismatic leader of Peru's center-left American Popular Revolutionary Alliance (APRA), scored a resounding election victory that made it all but certain he will be sworn in as the country's next president on July 28. Peru's midrange class, long, although largely left just short of the absolute majority needed to capture the presidency, his 46-year-old victory, the popular vote in a six-man race left him in a strong position to defeat the second-place finisher, leftist Luis Alberto Sánchez, 57, in a run-off election to be held in June. Second round, clearly enjoying a second-round triumph. "This is not only a victory for APRA but for Peru and all Peruvians."

In fact, the results seemed to represent a sweeping reconciliation of the conservative parties that have traditionally governed the South American nation of 19 million. APRA's 1980 member, President Fernando Belaúnde Terry, 71, was constitutionally barred from succeeding himself, the candidate fielded by his center-right Popular Action party received just six per cent of the presidential vote. All but 73 per cent of Peruvian voters marked their ballot for either Garcia or Sánchez, Lima's well-spoken and unassuming Marxist mayor. Swiftly exceeding the governing party's defeat, the entire 18-member Peruvian cabinet agreed to resign so that Belaúnde could support Garcia's inauguration. In addition, in ran the country into a new government took over. But Belaúnde refused to accept the resignations.

Still, for most Peruvians last week's election did not signal a total end to uncertainty about the country's future. Although he has vowed to adopt a more pragmatic foreign policy—and to seek new terms for repaying the country's \$15.5-billion U.S. foreign debt—Garcia has yet to define his policies on Peru's two most pressing problems: the sinking domestic economy and the increasing terrorist attacks by the Maoist Sendero Luminoso (Shining Path) guerrillas. There were only scattered reports of rebel violence last week, as most Peruvians ignored Sendero's demand that they boycott the election. But analysts say that if the new president is unable to relieve the country's myriad social and economic problems, the level of violence will escalate. —RICH LARSEN

Threatening the four pillars

By Michael Sauter

For Barbara McDougall, the federal minister of state for finance, the presentation was by far the most important of her new political career. For her audience, an overflowing crowd of unusually tame top-level business executives landing last week at Toronto's Sheraton Centre, the minister's remarks were more critical. Thus, McDougall criticised the Conservative government's sweeping proposals to change the way in which Canada's major financial institutions do business with customers. Indeed, McDougall: "The question is not whether to change but what direction that change will take."

Her statement left some members of the financial community outraged, some pleased and others simply confused. Business executives immediately began to assess the impact of the government's most controversial proposal: a plan to permit trust and insurance firms to enter the banking business. Under her proposals—which have not been tabled in Parliament—these institutions would be able to create parent financial holding companies that would be legally empowered to run a new class of bank. The result of that change, says McDougall, would be the creation of financial supermarkets offering an unprecedented array of services to customers—banking, trust and insurance services to mortgage loans.

For that part, the major banks, whose executives may be concerned about increased competition in the stagnant corporate lending business, welcomed the plan. But trust and insurance industry spokesmen, who have been campaigning to obtain the same lending powers of the banks, welcomed the proposals. Said William Somerville, president of Stratford, Ont.-based National Victoria and Grey Trust Co. "We have fought hard for the latitude to put our deposits into more than just mortgages."

What is at stake in the showdown of financial titans is the future of their territorial boundaries. Financial analysts say that the government's propo-

sals will end the decades-old concept that Canada's financial institutions should be viewed as "four pillars," with the activities of banks, trusts, insurance and investment houses clearly divided.

The details over McDougall's discussion paper provisions to become even more contentious as finance depart-

ments, freeing them from the demands of shareholders. The foreign-owned banks have to such restrictions on ownership, but the federal Bank Act currently stipulates that no individual can control more than 10 per cent of a Canadian chartered bank.

McDougall acknowledged that the



McDougall, Kitchik (above) outlining the rules for 'one-stop' financial shopping

ment officials begin to pull financial executives from their views. But the government is already set on its course of action. Said McDougall: "The details of the paper are negotiable, the principles are not." Currently, there are two categories of banks—Schedule A banks made up of the nation's 13 domestic chartered banks and Schedule B banks that include the 98 foreign-owned banks in the country. Under the McDougall plan, financial holding companies could create a new category of Schedule C banks. They would be subject to most of the same regulatory requirements as their traditional banks but with a difference—their owners would be permitted to hold minority control of the new

creation of the new financial holding company will concentrate common power in the hands of a few owners. But to ensure adequate consumer protection and to guard against potential abuses, McDougall proposed a series of tough new rules. For one thing, affiliates of the proposed holding

company could engage in networking—selling each other's products to consumers—but each would have to remain a distinct corporate entity with its own board of directors and financial statements. As well, the minister said, self-dealing, in which one branch of a conglomerate arranges a loan or similar deal with an affiliated company or senior officer, would be banned. At the same time, per-



sonal could include criminal charges.

To police the financial giants McDougall unveiled plans for a new Financial Code of Interest Office, modelled on the U.S. Securities and Exchange Commission, to investigate and launch court action in response to public complaints. The minister also proposed the cancellation of the existing Office of the Inspector General of Banks, which supervises the banks, and the Department of Insurance, the agency that oversees the trust, mortgage loan and insurance companies.

But her assurances did not lessen the banks' concerns. Robert Kartheis, finance president of the Toronto Dominion Bank, told *Maclean's* that by abandoning the 10-per-cent ownership rule for Schedule C banks the government was inviting conflict-of-interest abuses that would be impossible to control. Added Kartheis: "It will take literally an army of regulators to monitor the transactions of these financial conglomerates." The banking industry was also guarded in its reactions. Reid Angus Knewstetter, president of the Toronto-based Investment Dealers Association, "Ottawa's proposals can only lead to more corporate concentration."

Still, industry experts said that the federal plan was overdue because it may lead to effective regulation of the fast-growing financial conglomerates that have already emerged in Canada. For years companies such as Toronto-based Trifin Financial Corp., a financial conglomerate controlled by Peter and Edward Brown's Brunson Ltd., have been spreading their corporate tentacles in a regulatory vacuum. Industry experts also pointed out that Ottawa's proposals might bring the whole country in line with the dramatic changes already under way in Quebec. That province's Bill C-75, which was passed last June, gave provincial insurance companies the freedom to expand into most areas of the financial services industry. And already the Laurentian Group of Quebec City, the province's largest insurer and a financial holding company with assets of \$2.9 billion, has taken full advantage of the new provisions.

Laurentian Group will be the first company in Canada, its officials claim, to offer consumers true "one-stop" financial shopping. When the company opens its new \$15-million office in downtown Montreal early next year, customers will find the services of a bank, a trust company, a life insurance company, a property and casualty insurer and a stockbroker. If the federal government's reform proposals become law—as Barbara McDougall expects they will by early next year—the Laurentian Group's financial supermarket will be only the first of many to spring up across Canada.

The blueberry trade war

To most people, the rocky terrain in northwestern Nova Scotia's Cumberland County would seem like a major impediment to development. But for John Bragg, president of Oxford Process Foods Ltd. in Oxford, N.S., a major producer of blueberries, the terrain is ideal. As Canada's undisputed blueberry king, Bragg farms 2,000 acres of berries himself, processes the output of 600 smaller farmers at his freezing plant and exports the delicacy to markets in Germany, France, Scandinavia

and a new 25-per-cent tariff on Canadian berries. Last week heated negotiations between Canadian and EC trade officials produced a temporary reprieve for Canadian growers. And in Ottawa, Federal Agriculture Minister Jack Wise announced that the EC had agreed to postpone imposing the tariff while negotiators are under way. But a large-scale general escalation of the dispute will be more difficult to avert. The blueberry debate over part of a larger trade dispute has previously soured relations between Canada and Europe recently.

Most observers trace the origin of the current tensions to Ottawa's 1977 quota for importing softwood lumber to 90 per cent of the domestic market. Last Nov. 30 the federal government decided to extend the quotas for another year. Then, on Dec. 31, 1984, Ottawa dropped the dispute when it decided to limit imports of softwood to 100 to 3,000 tonnes, down sharply from 20,000 tonnes in 1983.

To regularize its disputes, the community announced earlier this year that it was considering raising tariffs on a range of Canadian goods. Two months later it made public the blueberry tariff. In addition, the EC threatened to raise the tariff on fruit imports to 24 per cent from 6.9 per cent and announced plans to reimpose a ban on imports of seal pelts due to expire next fall. As a result, Canada's \$650-million fruit industry immediately began to lobby Ottawa to take up its cause in Europe.

The trade tensions eased slightly when Canada copied into the Community net to impose the tariff increases on fur. But the Community may still take additional retaliatory action. Declared one EC aide: "A Canadian failure to bend on shoes or beef will lead to positive action that could only worsen Ottawa's trading position in Europe."

In Ottawa, trade officials played down the severity of the situation. Said Denis Cameron, an aide to Trade Minister James Kilbride: "There are problems, but it is certainly not a trade war." By contrast, an EC official described the situation as the sharpest in years. Indeed, it is the first time in a decade of steadily declining Canadian exports to Europe. Slung by the slash of the Canadian dollar, which has appreciated 60 per cent with most European currencies since 1980, Canada posted its first-ever trade deficit with Europe last year. In total, it lost \$1.5 billion and 30,000 jobs. If the transatlantic animosity leads to further protectionist actions by either side, that gap could widen.

—MARC CLARK, with Oliver Road in Halifax and Peter Lewis in Brandon.



Bragg, victim of Europe's sugar

and Japan. But Bragg and the province's 1,000 other blueberry growers have recently become victims of a transatlantic trade battle that could take them out of the European market—a consumer pool that accounts as much as 70 per cent of their crop each year. Declared Bragg: "Europe is our market. If we lose that, we lose everything."

The threat arose in March when European Community (EC) officials se-

Taking aim at takeovers

The idea has stirred outspoken opposition from some corporate leaders and muted anger from others—but it has a supporter at the highest level of government. At the national economic conference in Ottawa last month, Prime Minister Brian Mulroney visibly brightened when Antoine Turel, the chairman of Montreal-based Prolog Inc., suggested that the federal government eliminate a 14-year-old tax break that lets companies deduct from their profits any interest paid on money borrowed for corporate takeovers. After Turel finished speaking, a smiling Mulroney asked, "Have you read my book?" In *Where I Stand*, a 1983 text in which he outlines his political views, Mulroney, then the opposition leader, said that the tax break should be ended because it encourages only "cruel empire-building."

Mulroney's response has sparked a debate over the merits of the tax break and led some shareholders to pressure that the provision may be removed in the May federal budget. Critics say that by allowing the deduction Ottawa has encouraged large companies to take over existing firms, increasing corporate concentration. In 1984 the Canadian families controlled 46 per cent of the top

300 companies traded on the Toronto Stock Exchange. As well, takeovers do not necessarily create new production or jobs. Said Stanley Hart, the Montreal corporate lawyer who organized the opposition, "In very few cases has a takeover generated a net boost for the economy—it just got the ownership in new hands."

Last year 18 major acquisitions Canadian companies spent more than \$600 million to purchase other firms. And because most high-tech corporate shoppers are in the 46-per-cent tax bracket, the interest-deductibility provision cost Ottawa millions of dollars in foregone taxes.

But most business executives support the tax measure. William Pitt, vice-president and treasurer of Toronto-based Hiram Walker Resources Ltd., pointed out that many entrepreneurs deliberately build up companies, fully intending to sell them later. "There are people in Canada

who do best by creating," said Pitt, "and there are others who are better at managing. If the people who develop things have no market in which to sell them, then you will have less development."

Even some opponents of the tax incentive agree that Ottawa should not drop it unless Washington

eliminates a similar U.S. law. Congress is currently considering a bill that would prevent U.S. firms from deducting interest on money borrowed for hostile takeovers identified as those opposed by most of the target company's directors. Hart, for one, said that if Ottawa acted before Washington, U.S. firms would have an edge over Canadian companies in corporate takeovers—especially since there is no longer a Foreign Investment Review Agency impeding their entry into Canada. Added Hart, "If we had a strong FIRA, it would be another matter. But we just dismantled it." Still, these warnings may not deter Mulroney from moving quickly to stop what he has called "unproductive corporate takeovers." —JANE CLARK



Turel's criticism weakened

"If we had a strong FIRA, it would be another matter. But we just dismantled it." Still, these warnings may not deter Mulroney from moving quickly to stop what he has called "unproductive corporate takeovers." —JANE CLARK

BUSINESS WATCH

Bargaining with fresh water

By Peter C. Newman

Suddenly the grand Canadian debate of the 1850s has been launched: should we sell our water to the Americans?

In Montreal, Robert Bourassa publishes an election manifesto in the form of a letter from the Mayor, in which he advocates developing 12,000 more of Quebec's potential megawatts of electricity for export to the United States at a cost of \$25 million. Because such a gift would replace 212 million barrels of oil the Americans save in their diesel-generated electricity plants (the equivalent of 42 million tons of coal a year or the output of a dozen nuclear generating stations), former U.S. energy secretary James Schlesinger praises the book and its author. "The option of power from the North seems that we in the United States may obtain the advantage of lower-cost power while simultaneously circumventing the difficulties created by our own regulatory process."

At the same time, in Ottawa, powerful voices are being raised in praise of the ultimate Canadian project, the \$100-billion Grand (Great Recycling and Northern Development) Canal.

Those extolling the virtues of this mammoth proposition, which would take a decade to build and provide 30,000 jobs, include Simon Bissessar, a former deputy minister of finance, Arthur Bailey, a former senior assistant deputy minister of supply and services, Louis Desmarais (Paul's brother), and Duncan Edwards, all of whom run influential Ottawa consulting firms.

The idea is to erect a sea-level, 160-km dyke to close in the major part of James Bay, 30,000 square miles in all, turning it into a fresh water lake. At the moment, something like eight per cent of the world's fresh water drains out of the Canadian Shield into the huge bay (twice the flow of the Great Lakes watershed), but its benefits are wasted because it is soon polluted by the salt water of the larger Hudson Bay. The newly created lake would be connected to Lake Huron through hundreds of miles of canals, using natural rivers and lakes whenever possible. One likely route would be to transport the water westward along the Huron-Erie River valley to the Great River near Buffalo, where it would then be treated to flow through Lake Titusville and Lake Nipissing into Georgian Bay.

The scheme's backers claim that the plan would not actually divert any Ca-

nadian water, since only recycled water would be exported to the United States—fresh water that otherwise is lost into Hudson Bay. "The idea is totally feasible and would purify the Great Lakes as well as providing us with an enormous water surplus we could sell to the Americans without hurting Canada," says Kennedy. "It would solve the problems of American aridity in the Midwest and the Canadian deficit all in a decade." Reisman goes even farther, tying the



"Maybe we're at a similar stage to the Chin of 1850," he says, "when the 990-mile-long Grand Canal of that country connected the Yellow River in the north to the Yangtze River in the south. Marco Polo travelled at this engineering accomplishment in 1275. To this day the Grand Canal of China profitably serves that ancient country."

Kennedy and his associates roll off strings of figures to prove their project's worth, but in the end it will come down to the decision on whether Canadians really want to export their water. Bourassa in his book says that "water is a good, like any other, and can be bought and sold."

What is not true, Kennedy has historically paid little attention as two-thirds of our factories have come under foreign control, our culture has been subverted by Hudson Avenue and we have become a client state of the Americans. But it is now an export item of selling our water, Canadians get very excited and dig in against any rapid treaty across the 49th parallel. Technically, the Grand Canal is a grand idea, politically it was never fit.

Kennedy, who exhibits the disregard of political realities characteristic of all cravens, has even adapted world peace as one of the reasons for building his beloved Grand Canal. "Such large-scale examples of productive, international co-operation may prove to be not only the best, but the only job-providing alternatives to the armaments race that clouds the future of the world."

Maybe. But first we have to determine whether Canada's water is for sale.

on the issue. The United States would put up all the capital and pig for the water at its commodity value.

The idea was born in 1933 when a Montreal engineer named Thomas Korman was prospecting around Amos, Que., and noticed that all the rivers were flowing north, not back into the St. Lawrence. His sensitivity intrigued with the idea of drawing up James Bay. Studied how the Dutch had dyked the Vander Zee to create a huge freshwater lake and began to dream about the Grand Canal. "I was not just dreaming," he told me during a recent interview, "because precisely the same thing was going on in other parts of the world. Somebody, someday would take this shallow, shrinking, underutilized area of the sea called James Bay and use it." He put a job in Holland, worked on various northern development projects and now devotes his time to the Grand Canal.

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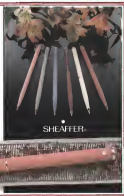
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VIETNAM'S BITTER LEGACY

SPECIAL REPORT

By Maori McDonald

His fingers reach up to trace a name etched into the black granite. In the crowd filling just the two polished stone walls, wedged like fallen wings into the side of a grassy knoll, Charles Sheser does not stand out. There are many others, their hands stretched out in a silent reverence with one or more of the 58,000 names of the dead gridded into the stark Vietnam Veterans Memorial on the Washington Mall. A mother stoops to leave a lone red rose against the wall. A teenager fervently tucks between his jaws a scribbled note, addressed to the father she never knew. But as his fingers brush the stone, Sheser's eyes retreat to the memory of a distant killing ground. One squad, he is pondering down a mud road outside of Hanoi during the 1968 Tet offensive. Once again, he watches as the machine ahead of him explodes over a land mine in a billow of black smoke and gore. They told him later that he had used his own belt as a tourniquet, trying to staunch his buddy's blood, but he cannot remember that. Like America itself a decade after the Vietnam War, Sheser is still struggling to make peace with the troubled past.

Ten years after the humiliating helicopter scramble from a Saigon rooftop that symbolized the end of the United States' ill-fated involvement in Vietnam, movies, books and a surge of articles are commemorating that anniversary with full-color photographs of Sheser atop a tank, evacuating the wounded from Hanoi. Amid the carnage he cradles a dying marine wrapped in bandages and camouflaged tubes, a tiny dead octopus tucked inconspicuously into his camouflage helmet band. To many, that single image sums up the tragedy of the longest and most divisive U.S. foreign war. Complex and finally incoherent, the country's \$204-billion misadventure in Southeast Asia created a national trauma that left still-visible scars on the American psyche. The first war to play out its daily horrors on television's network news, it split families and neighborhoods and ultimately the nation itself. Besides the dead and the 300,000 wounded among the 2.8 million who served, it created a new category of war victims: the countless casualties of the spirit.

The acrid antiwar debate spilled over U.S. borders onto campuses across Europe and Canada to become the rallying point of an entire generation. It propelled thousands of draft dodgers north across the 49th parallel. But the war also led an estimated 5,000 Canadians to enlist in its jungle hell. The names of 50 who never came back are etched on the wall in Washington. Those who returned met the same reception as their American counterparts: they were shunned as unwelcome reminders of a conflict in which the United States lost its first war—and, not incidentally, its innocence. The shame and punishment of defeat were mirrored in the way that the country ignored or even pilloried its Vietnam veterans. Shipped back with three purple hearts, Charles Sheser arrived home wearing in the uniform that attracted taunts and glares. For eight years he never spoke of Vietnam. It was only after veterans themselves raised \$8.8 million to build the war's only national memorial that he came and found in its somber, eloquent litany of the dead a healing stone. Now, at 35, he makes the pilgrimage often—one of more than two million a year who have found in the wall a focus for a deepening national reckoning. From its dark marble surface where the faces of the living reflect back in union with the names of the dead, a reconciliation with Vietnam has slowly begun.



AND THE MEMORYLIVES



By Robert Miller

They are slower now, and quieter. But the stark images and defiant slogans of the Vietnam War still linger the last American helicopter to lift itself from a fragrant and barren Saigon on April 30, 1975, 10 years ago next week. *Ho, ho, we won't go!* The dense sprawl of massed civilians at a South Vietnamese village named My Lai. *Ho, ho, Ho Chi Minh!* The cold-blooded execution, by hand, of a member of the Viet Cong, during the Christmas 1968 Tet offensive. One two three four! *Tricky Dicky stop the war!* Former president Richard Nixon, under virtual siege in the White House by the young people of the United States, explaining in a television address how he planned to win in Vietnam by bombing Cambodia. *Two four six eight stop the war, enough is enough!* The street riots during the 1968

Democratic party convention in Chicago, which followed Richard Nixon's war-induced decision to leave. *Hey hey, L.A. How many kids did you kill today?* Fleeing B-52 bombers, raining death and destruction on the lush and lushness of the Indochina.

The images are almost invisible in number. And, like the pain that went with them for so many Americans, Vietnamese, Canadians and Australians who fought there, they have survived the passage of time, perhaps because originally they were so vivid. To millions of television and readers of magazines and newspapers, the Vietnam War was long lines of stunted refugees limping south as the North Vietnamese army began its final push. The war was Richard Nixon's months setting themselves on fire in the streets of Saigon, protesting the presence of U.S. troops. It was hundreds of thousands of young Americans, demonstrating peacefully outside the White

House while Nixon watched a college football game on television. It was glib U.S. military officers, straining to find credibility in the bleakening past with distorted Viet Cong casualty figures and inflated tales of successful missions by U.S. and South Vietnamese forces. It was napalm and gunships, rice paddies and black-and-white peasants. And to at least some minor levels, the Vietnam War was protest songs—some of which still drift by, in Bob Dylan's phrase, "blowin' in the wind," a generation after they were first performed.

From the beginning, the conflict in Vietnam amounted to nothing less than human tragedy on an epic scale. Its cost in terms of lost and agonized lives, wasted money, ruined property and religiously guided delusional calculation. Its benefits, if any, remain

unclear. And its principal lesson—that using military force in a remote and hostile environment to support questionable diplomatic objectives can lead to disaster—may still not have been grasped by the world's superpowers.

The Soviet Union's five-year campaign to control Afghanistan, using airpower and roughly 100,000 troops against guerrillas, indicates that Moscow has ignored the U.S. experience in Vietnam. And many Americans say they are concerned that President Ronald Reagan's administration may eventually embolden their country in a Vietnam-like adventure in Central America. But Leonard Bodine, a Stanford University law professor who defended such as troop interventions as justifications for Benjamin Speck and Rev. Daniel Berrigan, as well as Daniel Ellsberg, in the so-called Pentagon Papers case "We came off badly in Vietnam

and we are repeating our mistake with no justification in Central America."

A decade after its final victory, the Communist regime in Vietnam is impoverished (page 43). It is partially sustained by Soviet aid, intermittently emboldened by border clashes with Chinese forces, and it maintains an estimated 180,000 troops in Kampuchea to support a puppet regime in that country. As well, Hanoi is widely discredited among the South Vietnamese, whom it claims to have liberated. Even former admirers of Hanoi have expressed misgivings. Bob Jerry Rubin, a former U.S. peace activist and one of the defendants in the celebrated Chicago Seven trial. "We were willing to recognize the North Vietnamese. But we needed good guys and bad guys then."

Rubin, as well as the "damnable theory," which forecast a totally Communist Indonesia if North Vietnam prevailed, led to the rapid U.S. military buildup. And Washington's arm supplies series of spending support for the South Vietnamese government helped to prolong what, in military terms, was a last cause and, in human terms, a catastrophe. During the eight years between 1965 and 1973, when U.S. military involvement was at its peak, the Vietnam

War claimed a total of 1.9 million lives and created nine million refugees. Among the American people, who lost 58,000 dead and counted 300,000 wounded, it generated anger—and rivers of tears.

For most Canadians the long conflict was as alien and often baffling drama, that unfolded either in hills and scrublands on the far side of the world or on the streets and campuses of their closest neighbor. The war's huge cost, its uncertainty and—alternately—its futility were all but incomprehensible to those on the sidelines. Still, many Canadians tended to sympathize with the aims of the U.S. peace movement, as did the Liberal government of Pierre Trudeau.



Despite the war's depolarizing, divisively 30,000 Canadians, most of whom wanted adventure or a paycheck, fought for the American armed forces in Vietnam. Said Douglas Fry, 38, a part-time civilian driver in Petrolia, Ont., who enlisted in the U.S. army as an 18-year-old and who subsequently became a member of the 81st airborne division. "The recruiter welcomed me with open arms. I didn't know what I was participating in." At least 34 Canadians died in action, and two

North Vietnamese tanks attacking the police in Saigon: songs of sad protest



A crippled nation

were listed as missing. One of these was Arthur Dubois, also 35, a Canadian Indian from the Canajoharie reservation, eight kilometres south of Montreal. Dubois, a former U.S. Marine, was wounded twice in less than five months in 1968, once during the Tet offensive, and he is now in the forefront of a campaign by Canadian veterans of the American armed forces to gain full U.S. service benefits. As an officer of the Montreal chapter of the Disabled Veterans of America Association, he is attempting to reverse U.S. government policy, which denies—among other things—medical and vocational rehabilitation benefits to non-American living outside of U.S. territory. Said Dubois: "The draft dodger made out pretty good with Washington and so did the East People. But the Canadian Vietnam vet is not doing so well."

At the same time, Canada provided safe haven for a veritable army of non-fighting men from the United States (page 44). Tens of thousands of draft dodgers, many of them well educated and sincerely opposed to the Vietnam conflict, streamed north from the cities, towns and farms of a divided America. As well, thousands of deserters from the U.S. military crossed the border rather than risk having to cross the Pacific. The combined total of drafters and deserters who came to Canada is estimated to be between 50,000 and 80,000.

For their part, the young Americans—many of whom settled in, and married, such cities as Vancouver, Toronto and Montreal—left behind their families and friends without knowing whether they would ever be allowed to go home again. To many Canadians that sacrifice seemed to constitute a special kind of bravery. After the U.S. withdrew from Vietnam, former president Gerald Ford offered a partial amnesty in 1974. Two years later Ford's successor, Jimmy Carter, offered a general pardon. Still, as many as 20,000 decided to settle permanently in Canada, a country that had provided refuge while they waited for an affirmative answer to the 1969 vote/prayer recorded in Montreal by John Lennon and Yoko Ono, Give Peace a Chance.

Through much of the war, Canada played a key-role but occasionally risky diplomatic role in Indochina. With Poland and India, Canada was a member of the International Control Commission (ICC), which was set up in Geneva in 1954 to supervise peace in the region after the collapse of French military influence at the battle of Dien Bien Phu. In the early days of the Hanoi-Saigon conflict, before U.S. troops began moving into Vietnam in strength, the ICC had only limited influence. Later, it had virtually none. Still, its number-

ship occasionally allowed such Canadian diplomats as Blair Seaborn, now an security adviser in the Privy Council Office in Ottawa, to visit Hanoi and, occasionally, to carry messages from Washington to the North Vietnamese. Seaborn said he carried two messages—in June and August of 1964—which he delivered personally to Premier Pham Van Dong, the second most powerful North Vietnamese politician, after Ho Chi Minh. Added Seaborn: "The messages from the United States said that they did not want to become heavily involved in the Vietnam conflict but that they would have to unless some-

New, and Michael Maclear, then with the CBC and more recently the producer/author of a 12-hour documentary series and best-selling book, both of which were entitled *The Ten Thousand Day War*. But it was a series of critical eyewitness accounts from Vietnam by CBC's highly respected newsmen in 1968, Walter Cronkite, that most failed the antiwar movement.

Viewers were fascinated and, frequently, appalled by the graphic and occasionally grisly images which television delivered. And many U.S. politicians began to view the news media as an enemy of the government. Chief

disseminator of our country is itself. Our mountains and rivers begin to fly afire. Peace follows war as day follows night. We have poured our shame for a thousand centuries. We have requested forgiveness for ten thousand generations.

Vietnamese nationalists Nguyen Tan Truong said that the hopeful peace of the rebel leader Le Luu defeated the occupying Chinese army in 1908 ushering in a golden age of independence. Half a millennium later, in 1978, after fighting in turn the Japanese, the French and the Americans, Vietnamese again purged itself of foreign forces—and again the poets predicted an era of peace and prosperity. But the benefits of victory have proven elusive. A decade after the last Americans fled from South Vietnam, the so-called nation is impoverished, heavily dependent on Soviet aid entangled in foreign military conflicts and isolated from much of the international community. Indeed, for many Vietnamese the bitter verdict is that they were the war only to lose the peace.

Consequently, the country is still suffering from problems attempted by the Communist victors to expand heavy industry and impose Soviet-style central planning. That crash program was a disaster, and three years ago the government sanctioned the return of some private businesses and permitted peasants to cultivate private plots and sell their produce in a free market. As a result, in 1983 Hanoi claimed to have achieved self-sufficiency in rice. But Vietnam remains crippled by three problems: high unemployment, crushing bureaucracy and rapid population growth. Life remains a relentless struggle. Food is rationed and everyday goods are in short supply. Inflation—as

high as 100 per cent annually—has reduced the purchasing power of the dong, the national currency. Many Vietnamese work at second jobs, take bribes or sell pilfered goods to survive. "Conditions are very poor," said refugee Tran Nguyen, 25, who lives in Vancouver. "You have to work quite hard for 16 to 18 hours a day, and still you can't buy enough food unless you get it on the black market."

Economic decline is everywhere evident in Ho Chi Minh City, formerly Saigon. The once-ravens western capital that thrived on American dollars has a shabby air nowadays. Western bank markets remain—with their official approval—selling smuggled foreign luxuries and Japanese television sets. But a gasoline shortage has eliminated the noisy traffic jams—most Saigonese now get around by bicycle—and power shortages frequently plunge the city into darkness. Conditions are worse in Hanoi. Indeed, despite repeated government efforts, North and South remain separate worlds.

Vietnam's economic problems are compounded by the expense of maintaining the world's fourth-largest army. Roughly 300,000 Vietnamese troops are deployed on its northern border with China, another 50,000 in neighboring Laos, and an estimated 100,000-man force in north-east Kampuchea (former-

ly Cambodia) is preparing to a puppet regime against nationalist guerrillas. As well, several Western countries cut off economic assistance after the 1978 invasion of Kampuchea. And China is threatening to send its troops across the border—as it did in 1979—to "teach Vietnam a lesson." Isolated from most other countries, Hanoi relies increasingly on its Soviet ally and neighbor. Moscow supplies as much as \$5 billion a year in aid, sends hundreds of advisers and in return gains access to the U.S.-built base at Cam Ranh Bay.

By Vietnamese clearly resent the Soviet-American vacuum, as the other hand, are warmly greeted—even in the North. In fact, Hanoi has often expressed interest in reuniting talks—suspended in 1978—on normalizing relations with Washington. There is even speculation that a mysterious green villa in Hanoi is reserved for a future U.S. Embassy. But rapprochement remains a distant hope. In the meantime, Hanoi's aging leaders face the challenge of adapting the qualities that made them such formidable warriors—determination, ingenuity, patience—to the urgent task of development. In the words of Prime Minister Pham Van Dong, "Waging a war is simple, but running a country is very difficult."

—NANCY GEL



Strike on U.S. ammunition depot in Khe Sanh, 1968: a tragedy on an epic scale

accommodation could be made."

Within a year Lyndon Johnson began dispatching an American expeditionary force that would ultimately grow to a half-million men—and the undeclared war was under way. It quickly became the most thoroughly reported—and photographed—war in history, both on the battlefield and on the increasingly agitated U.S. home front. Among correspondents who brought battle scenes into the living rooms of Nam Street, North America, Toronto-born Morley Safer, now of the CBC program 60 Minutes but then with the CBS Evening

among them: Nixon, who this month published a new book, *No More Vietnams*, in which he repeats his contention that the media cost the United States victory in Indochina. The thesis gives too little credit to the fierce determination of the Vietnamese—and to the essential decency of millions of young Americans who thought the John Lennon-Yoko Ono peace prayer made sense.

With Bill Glatstone and Doug Clark in Toronto, Terry Waugaman in Ottawa, Don Baker in Montreal and Jan Acker in Washington.

Children in the streets of Ho Chi Minh City: crushing economic problems



[1960-1967] radicalized me. People constantly talked about the war and how they would beat the draft. One day we went to the draft board dressed as a clown.

On my 22nd birthday I graduated with my six and got my draft notice. I realized that if I enlisted, I would not be able to face myself in the mirror 10 years later. The war in Vietnam crystallized all the things I hated about the United States. It was part of the chauvinism that is American foreign policy. In Vancouver there were a lot of draft dodgers. But these people still had their heads in the United States. As much as I was against the war, and in Canada for political reasons, I considered myself an immigrant. I liked Canada and its self-deprecating humor.

Today there is no real draft dodger community. I know guys who were draft dodgers, but they are my friends for other reasons. There is a draft dodger living down the street from me but I know him only to say "Hi."

The Boat People

To Thai, 46, came from a wealthy Chinese family in Saigon and in the late 1950s studied medicine at the Sorbonne in Paris. When Saigon fell, he had been a chest surgeon in that city's Groland Hospital for 15 years. His wife lived with his wife and surviving family in Toronto and they continued work for his church. The tuberculosis he contracted in Vietnam has prevented him from practicing medicine in Canada.

When the Communists took over South Vietnam in 1975, I was conscripted to work in the fields and then sent to a concentration camp. I spent almost three years there. My teeth fell out, and I got tuberculosis. Finally, my family members paid the Communists for my release.

The first time, we tried to escape by fishing boat. We left at midnight, but when we got out on the water the Communists noticed us and opened fire. My wife used her body to cover mine and took a bullet, but she did not die. I had to spend one month in jail and pay \$1,000 to gain my freedom. The second time, several weeks after my release, along with 20 other families, we paid 64 oz. of gold for the construction of a fishing boat, but the Communist secret agents got suspicious and we never saw the boat again.

Finally, we had to pay the Communists everything: our houses, gold, cars, jewelry. But they let us leave. We were without food or water for four or five

days before we landed at the island of Huanan (off China). Eight people died during that time, including my 21-year-old daughter.

Sometimes I feel very alone so I read the Bible for comfort. But sometimes I don't believe I am still surviving. Vietnam is now like a big jail. Even the plastic would leave if they could walk away from it.



Boat People arriving in Hong Kong: braving pirates and storms on the China Sea

Van Nguyen, 26, came to Canada with five other family members on July 31, 1979. She is now employed as a bookkeeper for a small management company near Vancouver, and in her spare time she works as an interpreter for the B.C. courts and as an English tutor for other Vietnamese immigrants.

We could not stay in a Communist country. They are against private business. There was conflict between the Vietnamese government and the Chinese, and we used that opportunity to falsify our identification as Chinese citizens. The govern-



ment wanted it as of gold per person, and we had to leave all our property and assets, but they let us out.

They put 1,400 people on an old ship. It was so crowded that there was not even a place to sit down. We were eight days on the ship and we had no food or even water to drink. Most of the older people died, and the survivors threw their bodies into the sea. For two months we were in

a camp in Hong Kong.

We were one of the first groups to come to Canada. Our first impression was the attitude of George and Mariann Van Delft, our sponsors; they were very nice, helpful and friendly. My brothers got jobs right away. George Van Delft found me a job in a leasing factory where I saved automobiles. I worked for almost a year and saved enough to go to Vancouver Community College. Now I work for Precision Management in Surrey.

I think I made the right decision. This is a free country—and one of the best countries in the world. I am a Canadian citizen now, and this is my home.

Bruce Blanton in Moscow, Paul Berkov and Robert Black in Toronto, Douglas Clark in Perth and Diane Lockman in Vancouver.

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PROFIT FROM OUR EXPERIENCE

Saigon's final days

Melvin Gray, now Maclean's department editor, was in Vietnam for *The Globe and Mail* and left Saigon on April 28, 1975, two days before the Communist takeover—jumping Air Vietnam officials a final brief flight on the last commercial flight out of the city. His report:

From the ninth-floor of Saigon's Caravelle Hotel the war was a soot and light show of fumes and infrequent artillery bursts in the hazy night sky northeast of Saigon. Normally the Vietnamese, who mingled with foreign journalists on the hotel terrace, gazed the fishes; distant shelling was of little interest to city dwellers hardened by two decades of war.

But by mid-April, 1975, the shell bursts foreboded an all-out Communist assault, and Saigon residents were close to panic. In a city that thrived on chaos, the most sought-after item for Vietnamese was a ticket out. In the case of a ticket out, Le-Hoang Mai Nguyen Van Hoa was one of them. He had given up hope of South Vietnam's survival and began canvassing journalists who might help his relatives escape. I was the least to hear his appeal. Said Hoa: "Eh, I've lost my mind. I don't see much in life, and I do not want enough gold. I should have been corrupt, like leaders."

I met Hoa later at U Tapao, a U.S. B-57 base in Thailand, and learned that he had managed to get himself and his closest relatives out of Vietnam without a foreigner's help. On April 29 he had banded his wife and three children onto a helicopter gunship that his brother-in-law, a colonel in the South Vietnamese air force, had commandeered. The refugees survived the first stage of a journey to a new life in California—a nerve-racking flight to the Thai border 680 km from Saigon. And Hoa's exit

from Vietnam, like those of many of his countrymen who left Saigon by helicopter, had been hurried and undignified. Saigon fell the next day. Four hours after an 11-metre marine cargoport left the roof of the U.S. Embassy, a Communist tank swished through the wrought-iron gates of the Presidential Palace in central Saigon. That closed a stunningly successful Communist offen-

sively thinking that I owned the gun welcome to Saigon. The airstrip, filled with U.S. F-4E jet fighters and helicopters, was familiar from 10 years of television newscasts of the war. But in a city enveloped by mount tropical heat, the signs of the air-conditioned American era seemed right, some improved highways, an expanded airport, some gas stations and the M-16 automatic rifles carried by soldiers.

By contrast, signs of the French who had left Saigon in 1954 were everywhere: broad avenues now crowded by files of army trucks, motorcycles and battered black-and-white Renault taxis, a red brick Roman Catholic cathedral with twin spires, and beguiling pastel villas. Still, there were a few downtown bars with such names as "The Kamasutra" and "The Crazy Horse." Inside these relics of Saigon's American period, time seemed to have stopped around 1968—as the tape decks relayed Jimi Hendrix, The Rolling Stones and The Doors.

The Americans also left the Vietnamese to settle the war. On April 10, 5,000 South Vietnamese soldiers were engaged in the last major battle, fighting three Communist divisions—35,000 men—on Route 19, 64 km from Saigon.

At that day of fighting, the 10th division (the 10th division) escaped Saigon, the lines of Vietnamese seeking escape grew longer outside Western embassies, and, on April 24, a crowd watched in despair as Canadian officials lowered the Maple Leaf for the last time. Suddenly the flag disappeared sparking hope that the Canadians had decided to stay. But the flag raising was performed solely to provide better pictures for CBC and CTV newsmen covering the event. "God, the poor Vietnamese," said freelance photographer Bryce Campbell. "At least they will not have hot parts like the men back home."

When I first arrived on April 2 from Hong Kong, a customs official quickly returned the South China Morning Post for unsecured news about South Vietnam while another of his colleagues offered me a 45-calibre Colt pistol—pos-



Vietnamese fleeing Saigon shell bursts foreshadowing an assault

session which had begun 45 days earlier with the capture of Ban Me Thout, 300 km northeast of Saigon. The lightning advance of the North Vietnamese prompted hundreds of Western journalists to book flights to Saigon's Tan Son Nhut airport. A seemingly interminable war was ending, and almost everyone wanted to witness the final act.

When I first arrived on April 2 from Hong Kong, a customs official quickly returned the South China Morning Post for unsecured news about South Vietnam while another of his colleagues offered me a 45-calibre Colt pistol—pos-

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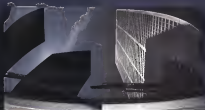
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V O L K S W A G E N



MacLaine: one of America's 10 best bodies

Jazz singer **Ella Fitzgerald** is closing her 10th appearance at the Imperial Room at Toronto's Royal York Hotel this week and marking her 67th birthday on April 28. Bopping she is still "big" despite her 51 years in the entertainment business, Fitzgerald added that she had "nothing special" planned for her birthday. But she was honored last week when Toronto Mayor **Artor Eggleton** named April 15, 1985, **Ella Fitzgerald Day** and presented her with a plaque that proclaimed her as "a universal person." Said Fitzgerald: "Oh boy! For as long as I have been coming to Toronto—and I go away like this—the first time that has happened." Still bopping from a sprained ankle caused by a fall during a Boston hospital benefit concert on April 12, Fitzgerald says she "feels

Fitzgerald: 'oh boy'



fine" and is still working new numbers into her act. A 12-time Grammy Award winner who has recorded songs written by such musicians as **Jarome Kern**, **Iving Berlin** and **Duke Ellington**, Fitzgerald admitted a prolon for a **Willy Nelson** song. She added, "I just want to get **Willy Nelson** on the Road Again into my act."

A U.S. court will decide who did what to whom of the \$5-million libel suit that **Loose Hooptastien** filed against her stepfather, **Bob Stratten**, and Playboy emperor **Hugh Hefner** ever gets that for **Stratten**, the 16-month-old estate of Vancouver-born **Dorothy Stratten**, Playboy's 1966 Playmate of the Year, whose estranged husband, **Paul Snider**, murdered her on Aug. 14, 1960, is claiming damages from **Stratten** and **Hefner** for telling reporters at a news conference that film director **Peter Jackson** had "ruined" her and her mother, **Molly Schupp**, and paid for plastic surgery to make her look more like her sister, **Joan Crawford**, who was romantically involved with **Stratten** and wrote about her in his 1984 book, *The Killing of the Princess*, and **Hefner**, whose company produced a one-hour documentary last year called *The Picture of Dorothy Stratten*, not in 1956.

But the former friends are now suing each other in the media. **Loose Hooptastien** says that confronting **Hefner** with "the reality of his life is apparently something he can't face." **Hefner**, because of the pending lawsuit, could only say, "It appears the truth will finally be known."

A ctress **Shirley MacLaine**, 50, who is cited in the May issue of *McCall's* for having one of America's 10 best bodies, plans to be in *Wall-to-Wall*, N.Y., on May 6 to give the convocation address and to receive an honorary doctorate in civil law from Acadia University, alma mater of her mother, **Kathryn MacLaine Gaulty MacLaine**, whose mother two wants and an uncle graduated from Acadia in the 1890s and whose grandfather, **Samuel MacLaine**, was dean of women three times from 1896 to 1896, says that the name of her

speak will be based on "going out into the world believing in yourself." A high school graduate, **Rebecca**, 16-year MacLaine has traveled widely and written three books, including the 1983 best seller *Out on a Limb*. A spiritualist who says she believes she has lived in past incarnations, MacLaine is delighted about receiving the degree in civil law from Acadia, demonstrating why it is not in geometry. "It is an honor for me to help square the circle of education in my mother's family."

T he former Austrian **Baroness Marie-Chantal von Habsburg**, 60, who became the focus of controversy last week when it was revealed that her father, **Emperor Austria-Hungary**, had been a member of the Schute Staff



Princess Michael of Kent: allowances

(Nazi Blackshirt Elite Corps) during the Second World War, acquired the glare, but not the recompense, of British royalty status when she married **Queen Elizabeth II's** first cousin **Prince Michael of Kent** in 1978. **Princess Michael** admitted that the reports were a matter of "deep shame." But she offered to release family-held documents she says exonerate the baron, who died two years ago. The princess has written a book about 18 royal women who left their countries to occupy thrones elsewhere and says that it will appear in July. Because neither she nor her husband receive allowances from the public purse, **Princess Michael** said that she wanted her book to be a best seller. "Box if it got terrible reviews," she added. "I hope that I will be able to try all the way to the back."

—**ROBERT BY BERRY LAMBERT**



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MEDICINE

A hint of heart attacks

A pure-white cat with blue eyes are deaf. These links—known as traits and diseases—are common in animals, including humans, and two of the latest discoveries connect characteristics of the human ear with heart disease. An eight-month study at Nassau Hospital in Mineola, N.Y., has established that a crease across the middle of the earlobe is an indicator of a narrowing of the heart arteries—confirming the results of earlier studies, including one reported by the Washington University School of Medicine in St. Louis, Mo., last October. And the Mineola team found another indicator of heart trouble: hair growing in the outer ear canal. When a patient with suspected heart disease displayed both creases and hair, tests showed that coronary artery disease—a major cause of heart attacks—was present 80 per cent of the time. Team member Dr. Anthony Gambino says such traditional indicators as smoking and high blood pressure are more telling. But, he added, "In the presence of these major risk factors, if the patient has signs in the ear it makes us more suspicious."

The eight-member Mineola research team studied 61 patients with symptoms characteristic of heart disease, such as shortness of breath and chest pain. Although either ear hair or the ear crease helped predict which patients actually had coronary artery disease, only 10 per cent of patients with both ear indicators were found to have less severe ailments. The rest were suffering from coronary artery disease. Indeed, the findings were so impressive that some physicians have suggested that heart tests be made standard for anyone with both ear signs. But Gambino said that would be premature. He added, "We looked only at its value in evaluating patients with symptoms, not people taken off the street." Still, he said that tests could be beneficial if a person with both indicators has other warning markers, including a family history of heart disease.

Coronary artery disease causes heart attacks by decreasing the supply of oxygen-rich blood to the heart. The narrowed arteries are often the site of blood clots, which further restrict the blood flow. But the early test results of a new drug offer promise. Tissue-type Plasminogen Activator (tPA) is a human blood substance created through genetic splicing by Genentech, Inc., a privately funded medical research firm in San Francisco. According to Dr. Graham

Turpin, who is conducting tPA trials at Hamilton General Hospital in Hamilton, Ont., the drug, designed to dissolve blood clots, has been successfully tested on the leg-vein clots of 15 patients. In the United States, tPA trials currently under way at Washington University in St. Louis, Mo., have indicated that the

drug is almost twice as effective as streptokinase—the enzyme now used experimentally in the United States and Canada to clear heart artery clots.

For his part, Turpin stressed that tPA will not be used to prevent heart attacks. But he said that the drug will eventually be prescribed in clear heart artery blood clots and strokes or even eliminate heart damage if administered within hours of an attack. Dedicated Turpin: "We are about to embark on a breakthrough in the medical management of coronary artery disease."

—DAVE KILGORY



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The authentic deli rye.

Death in the sugar bush

For Howard Jewett, son of his father and grandfather before him, the ritual is the same each spring, usually beginning in early March. Jewett taps 2,000 maple trees on his 25-acre sugar bush near Vale Park in Quebec's Eastern Townships, collecting the sap and then boiling it down into maple syrup. But four years ago Jewett, 37, noticed that some of his trees were dying for no apparent reason. The blight, unlike anything previously seen in the family sugar bush, attacked old and young trees alike at Jewett's farm. Jewett learned that other Quebec farmers were experiencing the same problem. By 1983 it had spread across the province, and the Quebec government commissioned a study of the problem. Some scientists blamed acid rain; others cited the weather or mismanagement by farmers themselves. But even after extensive study the mystery remains unsolved. Declared Jewett, "We are calling it acid rain down here, but no one is told us for sure just what it is that is killing our trees."



Gagnon attributes points to acid rain

A two-year study of 129 sugar bushes just completed by the Quebec energy and resources ministry, which was presented earlier this month to an international and rain conference in Quebec City, warned that the blight will result in a 12-per-cent decline in the province's \$39.5-million syrup industry this year alone. Indeed, Quebec syrup production fell to 1.6 million gallons last year from 1.9 million gallons in 1983. And many producers, particularly in the hard-hit Rousselle region, which accounts for 40 per cent of Quebec production, have stopped tapping their trees altogether.

Although researchers could easily speculate on the cause two years ago, a growing number of the experts now blame acid rain for much of the decline. Stud Leon Carrière, a spokesman for the ministry, "We have eliminated insects, fungus, climatic changes and mismanagement practices as possible causes, and acid rain and air pollution are the only causes left that we can consider." Added forester Gilles Gagnon, who authored the government report, "There may be several contributing factors, but we are certain that acid rain plays a large part in the death of the maples."

The blight of the maple tree first came to the attention of foresters in the early 1980s, when government records indicated that trees were dying at a faster rate than usual, the normal death

rate of two per cent a year climbed to 10 to 20 per cent. About 14 million out of an estimated 50 million maple trees are tapped in Quebec, which accounts for 80 per cent of Canada's total syrup production. In recent years the Quebec government has encouraged the province's 9,000 syrup producers to expand their output, mostly for the export market. But the dying trees and declining production have contributed to a 50-per-cent rise in retail syrup prices this year, setting off appeals for government intervention to resolve the crisis.

When the maple blight first appeared, many scientists blamed it on insects, extreme weather conditions or even automated tapping methods, which use vacuum pressure to extract twice as much sap from trees as conventional spigot-and-bucket systems. But the recent Quebec study showed that the Rousselle, where farmers first noticed the decline, receives 18 to 21 lb. of sulphate deposit from acid rain per acre per year, one of the highest levels of acidic precipitation in the province.

The manner in which the trees die has also implicated acid rain and such other forms of airborne pollution as heavy metals and gases from auto exhaust. Maple trees, which usually live 100 years or more, normally exhibit the first signs of impending death in their lower branches. But the new blight attacks



Tapping maples: a declining industry

them from the top down, beginning with yellowish lesions at the outer tips of the crown. Then the disease spreads into the trunk of the tree, and by the third year the bark falls away and the trees die. Said Robert Vézina, chairman of the botany department at the University of Vermont in Burlington, who has studied maple forests since 1969, "The longer it takes the forests to naturally die, slower than what you would have seen 50 years ago. The state of the maples indicates that the trees are likely being subjected to stress from a variety of air pollutants." Although he says he believes that acid rain accounts for a large part of that pollution, Vézina added that other forms of pollution could not be ruled out.

As well, Vézina said there are "remarkable and frightening parallels" to the current crisis in West Germany, where 78 per cent of the country's trees show signs of air pollution damage. Declared Vézina, "If that happens here, the maple industry will be only a hiccup compared to the overall problem." But for maple syrup producers like Jewett, who take part in an industry increasingly linked with Quebec's cultural heritage, the crisis is already on. Said Jewett, "We are not destitute yet—but we want some answers soon."

—BRUCE WALLACE, with Patricia Phlipsmala in Quebec City

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Strangers without roots

DIGGING UP THE MOUNTAINS

By Neil Bissoondath
(Memories of Canada,
275 pages, \$19.95)

WHEN WOMEN RULE

By Austin Clarke
(McDowell and Stewart,
275 pages, \$22.95)

While in a state of mind which can plunge not only those who emigrate but those who remain at home in two new collections of short stories, Neil Bissoondath and Austin Clarke explore the intricacies of both forms of alienation. Whether West Indian, Latin American or Japanese, all

their characters are trapped in a net of rules and regulations which they do not understand or cannot abide. They hover in the mountains not man's land between past and present, between prejudice against them and their own prejudice against others. And as Canadian immigrants born in the West Indies—Bissoondath in Trinidad and Clarke in Barbados—both authors display an intimate familiarity with that shadowy realm.

The stories in *When Women Rule* all deal with the search for a sense of identity. That struggle was the major focus of Clarke's splendid first volume of autobiography, *Growing Up Slender Inside the Union Jack*. In *When Women Rule* he leads his characters on a voyage of self-discovery with no final destination. The West Indian father in "The Discipline" expresses his bitterness about being an immigrant by beating his son, who feels at home in Canada. In "Griff" a black man from Barbados denies his color and fades into the underworld of white society. Clarke is also concerned with sexual roles and, as the book's title suggests, he sees women as a powerful threat to male identity. In the moving story "The One Leg," an elderly drinker known as "the general" replaces his companion with tales of his many exploits. But when he returns home to his shrewish wife, she humiliates him in front of one of his admirers by lowering his pants to reveal his wooden leg. In such stories Clarke displays a delicate narrative sense and an ability to create vibrant and memorable characters.

A number of the figures in *Digging Up the Mountains*, Bissoondath's first book, are natives in their home country. Iliana Beahary, the hero of the title story, is trapped in his biculturalism. Unloved by his American employers and despised by his countrymen, he is left with "no one" to show him the scheme of things. Bissoondath, who in the foreword of the British author V.S. Naipaul, displays a fine ability in "There Are a Lot of Ways to Die." Joseph discovers upon returning to his homeland that his imagination has created another country in its place, as fabulous and immaterial as Oz. The story demonstrates Bissoondath's understanding of the power and fallibility of memory and avoids the overstatement that weakens other pieces in the collection.

What distinguishes *Digging Up the Mountains* and *When Women Rule* is their authors' ability to depict both cultural alienation and the more personal loneliness of the human soul. Clarke's and Bissoondath's characters are trying to break out of the stifling web of society and attain a sense of identity. The both writers, through lives in merely surviving and outwitting the struggle.

—ALBERTO MANUEL

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Journalist: scoring political points with a scheme to expand the James Bay site

An electrifying proposal

POWER FROM THE NORTH
By Robert Bourassa
(Preston-Post, 182 pages, \$17.95)

After his resounding defeat in the 1976 provincial election, former Quebec premier Robert Bourassa became a pariah for many Quebecers, who assumed that his political career was over. But on Oct. 27, 1978, when Bourassa walked unannounced into a cafeteria at the massive James Bay hydroelectric project, the workers gave him a spontaneous, emotional ovation for his sponsorship of the development. That moment, he later told friends, "convinced me that there could still be a future for me in politics." Now reborn as leader of the Quebec Liberal party, Bourassa is still linking the success of James Bay to his political fortune. Power from the North takes a dry retrospective of the project's history to a complex plan for increasing its power exports. Bourassa's proposal, includes building new dam sites and installing a fresh-water lake out of part of James Bay, which would provide water for export to arid regions of the western United States and Canada. That audacious plan will undoubtedly be the centerpiece of the Quebec Liberals' next election campaign.

Despite the book's ponderous prose, Bourassa's enthusiasm for his subject is evident. He passionately recounts each step of James Bay's development, never

missing an opportunity to score political points along the way. Power from the North excerpts a 1978 Parti Québécois pamphlet which said that Bourassa's plans to sell electricity to the United States indicated that he "doesn't know what he is talking about, or he is making a mockery of the population of Quebec." Bourassa delightedly points out that Quebec now has contracts worth more than \$11 billion to export power to the United States over the next 15 years.

But the book's main focus is on Bourassa's grandiose dreams for the future of James Bay. With an avalanche of highly technical arguments, illustrated by charts and tables, he details his plans for a \$10-billion expansion in order to harness another 12,000 megawatts of hydroelectric energy—the equivalent of 218 million barrels of oil. That additional energy would be made available to northeastern U.S. states over a fixed 20-year contract, guaranteeing energy and financial stability for both sides.

Bourassa contends that such problems as fluctuating energy prices and the instability of many American hydro lines to handle the power load from James Bay cast some doubt on the project's feasibility. Still, by introducing a sequel to his greatest political success, Bourassa has reinforced his image as the "father of James Bay." Power from the North assures that he will fight the upcoming electoral contest on comfortable terrain. —ANTHONY WILSON-SMITH

TELEVISION

A news king bids for CBS

Ted Turner's offer to buy media giant CBS Inc., worth about \$5.6 billion, last week met with skepticism. But that reaction was not unusual for the 60-year-old newsday broadcasting magnate, who has overcome adversity before. Over the past decade he managed to revolutionize the American cable television industry. Despite Turner's package offer of stocks and bonds—estimated by Turner to be worth \$175 (U.S.) a share—traders drove down the stock share price in a vote of no confidence against Turner's move.

Earlier in the week, before Turner's bid, the stock had reached a record high of \$117. \$101, the share price had fallen to \$107.75 by the New York Stock Exchange's close on Friday. But Turner's fellow Atlanta, Democratic Congressman Wyche Fowler, declared "He should never be underestimated. I would be impressed when all the dust settled that he didn't take over our network, but all three."

At the core of Turner's flamboyant plan is a controversial financing technique. If he succeeds, CBS's current shareholders would effectively get up at least \$3 billion for the takeover of their own company in exchange for 67 per cent or more of CBS stock. Turner is offering a small amount of ownership in his holding company—Turner Broadcasting System Inc.—and a package of high-yielding securities which insiders call "junk bonds." Although the bonds will pay up to 10-12-per-cent interest, they have no investment-grade credit rating. To generate money for the repayment, Turner's prospectus indicates that he may sell off many of CBS's operations.

Right-wing Republican Senator Jesse Helms, who has recently been promoting a conservative takeover of CBS to end what he sees as a liberal bias in its news operations, approves of Turner's bid. Despite some scowling right-wing views, Turner insists that his motivations are apolitical. For its part, CBS restrained its reaction to dismissing Turner's bid as financially unworkable. Short sessions in the long run for Turner was rapidly developing opposition from CBS's affiliate stations. That could spell the end of the takeover attempt, without its 308 affiliates, there would be no real CBS network left for the cable news king to own. —IAN ALMOND in Washington

Stylish tales of humor and horror

CAT'S EYE

Directed by Lewis Teague

The opening credit sequence of *Cat's Eye* has the same delightfully eerie pace of a Saturday morning cartoon: a mousy St. Bernard puppy is trying to catch a cat that is much too fast for him. The



Barrymore: a pervasive dread

same shabby, grappled fabric appears in each of the movie's three segments, all of them written by horror novelist Stephen King. Although the three tales are linked only by the cat, which makes cameo appearances in the first two but figures prominently in the third, each one gleams with an energy and style that most horror movies forgo in favor of tasteless gore. Lewis Teague, who directed the 1983 screen adaptation of King's *Cujo*, about a rabid dog's bloodthirsty attack on a small family, has infused *Cat's Eye* with a wickedly black sense of humor: the film keeps its audience guessing and gasping at the same time.

The first segment is a cigarette smoker's paranoid nightmare. When Morrison (James Woods) goes to a seemingly innocuous self-help agency called Quitters, Inc.—his final, desperate attempt to overcome his addiction—he gets more than he expected. Dr. Dennis (Alan King), the head of the agency, tells him he will be under constant supervision, and, if he tries to smoke, his wife will be severely burned. Morrison becomes almost mad from passive withdrawal and fear. When he finally succeeds to a cigarette, the staff of Quitters forces him to watch his wife receive numerous electrical shocks from the specially wired floor of a room in which she is

trapped. But the horror does not end when Morrison conquers his habit. Like most reformed smokers, he replaces cigarettes with food and begins to gain weight. And when he jokingly asks Dennis if Quitters, Inc. will send a gun man to his home if he becomes too heavy, the doctor replies in a commanding voice that

the agency will merely cut off one of his wife's fingers. The tale is highly illogical, but so are the frustrated fantasies of those who have tearfully said goodbye to smoking and are tormented with cravings for tobacco.

The pervasive dread that governs everyday life in the first story switches to outright fear in the next. *Crosser* (Kenneth McMillan) is an Atlantic City gangster who takes revenge on Norris (Robert Hays), an over-the-hill tennis player who has run off with his wife. While holding Norris captive in a room on the top floor of a hotel, the gangster threatens to notify the police about a period of heroin that he has planted in the athlete's car unless Norris agrees to carry out a death-defying stunt.

It is a last act. He must walk around the hotel along the perimeter ledge of its 20th story. If he complies, he will not back his freedom—along with a large amount of money and the gangster's wife. When Norris takes up the challenge, Teague works stylistic wonders. The camera setups create an extreme sense of vertigo in the viewer as the hero struggles to keep his balance in powerful crosswinds and then hangs from a dangling rope. The episode reaches a suspenseful fever pitch when a jagged rope falls to get out of the terrified ledge-walker's way and picks his foot repeat-

edly until it begins to bleed.

From that grisly sequence, *Cat's Eye* moves to a more benign conclusion. A little girl (the adorably natural Drew Barrymore) wants to keep a stray cat—the same one that stayed into Quitters, Inc. and the Atlantic City hotel—but her mother (Clancy Clark) refuses. At night a mischievous troll uses the child's wish to steal her breath away. Reminding a miniature sword and wearing a poster's hat adorned with a green feather from the little girl's badge, which he has killed, the thug-in-trail is a direct spoof of the devilish creature in last year's *Gremlins*. Finally, the spurned cat engages in a particularly fierce battle with the troll, and the film ends on a note of lighthearted relief.

Cat's Eye does not have the cohesion of a single story deftly told, but its quality is an equally unifying force throughout: the movie is well acted and sharply photographed. Both frightening and funny, it keeps us snugly in a cat into the viewer's imagination.

—LAWRENCE D'OLIVE

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Fiction

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- 6 *Strong Medicine*, Hasky (3)
- 7 *The Takeover*, King and Smith (3)
- 8 *Virgin and Mortal*, Overly (3)
- 9 *The Evening Shores*, Smith (3)
- 10 *Black Hole*, Moore (3)

Nonfiction

- 1 *Isaacson*, Isaacson with Nook (3)
- 2 *The Canadians*, Malcolm (3)
- 3 *Revolving with Moscow*, Shewchuk (3)
- 4 *What they Don't Teach You at Harvard Business School*, McCormack (3)
- 5 *Oliver Hughes*, Crockett (3)
- 6 *Dr. Abramson's Body Type Program*, Abramson and King (3)
- 7 *Gutzky*, Gutzky and Taylor (3)
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